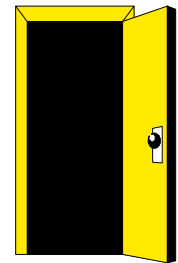




**US Army Corps
of Engineers®**

PARC NOTES



"ONE DOOR TO THE

CORPS"

Why PARC NOTES

The office of the PARC is designed solely to frame and instill the vision of the Chief of Engineers, Head of the Contracting Activity in the minds of all players in the acquisition program. The Chief demands that contracting with the Corps services, in this highly technological world reflects a premier contracting organization with a workforce second to none. The PARC is his highest technical advisor for contracting and the promoter of his contracting ideals. One of the PARC's major objectives is to solidify "One Door to the Corps" by ensuring that "best of the breed" practices are known by each operating district, lab, center and each component of the acquisition teams. PARC Notes are designed to be an information distributor; an educational pursuit enabler and catalyst; policy clarifier. PARC Notes introduces and provides overview of new policies, good news stories on successes; and is an innovative ideas distribution point. Additionally, PARC Notes provide a focus on the business savvy, responsiveness, and commitment to excellence, a focus technological innovations and the move toward paperless contracting, more, more and more. PARC Notes will be distributed monthly to ensure that the highest degree of innovation, responsiveness and integrity in the procurement process is demonstrated uniformly throughout the Corps. Send us your articles so that we can help distribute your lesson learned and celebrate your good news stories! Lets get the word out on Corps Contracting and make our vision contagious.

The Corps is focusing on "efficiency" in Contracting in support of our customer and we know that increase in procurement efficiency no matter how small can have a tremendous impact on product service cost and thus will delight our customers in this budget constrained cold war era. PARC Notes will often provide a fresh new vision into procurement objectives, authority and responsibility. They will highlight source selection initiatives, best value discriminations, ethics, partnering, competition and vendor participation initiatives and more, more, more.



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busines

About the PARC Notes Editor

Ingrid Williams - Ingrid began her tour of duty with the PARC office as a Stay-In-School Student, April 1996. She attended Oral Roberts University in Tulsa, Oklahoma 1991-1992, upon completion of her High school studies. In the Fall of 1992 she transferred to Bowie State University in Bowie, Maryland, where she recently obtained her Bachelors degree in Business Administration, Management on May 24, 1997. Ms. Williams is continuing her education at Bowie for her Masters degree in Business Administration, Public Administration. She has entered into the Student Co-Op program and in time will be placed in the internship program.

Upcoming Highlights

- # What DCAA Wants the Corps to Know
- # Validating Justifications and Approvals (J& As) - No Corps proclivity for Sole Source Procurement

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The New PARC

A Background Trip with the PARC

Biography of the PARC

Mrs. Bunnatine H. (Bunny) Greenhouse
SES

Principal Assistant Responsible for Contracting
United States Army Corps of Engineers

Mrs. Greenhouse's acquisition career began as a Department of the Army Procurement Intern with the Directorate of Contracting, Fort Hood, Texas. Subsequently, she served in the following positions: Supervisor, Contract Pricing/Contract Administration, Dynalelectron Corporation, Aerospace Operations Division; Assistant Contract Administrator, Dallas-Fort Worth Airport Board; Procurement Advisor to the Commander, U.S. Army Materiel Command-Europe; Director of Contracting, Carlisle Barracks, PA; Procurement Analyst, Integrated Procurement System, U.S. Army Materiel Command; Procurement Advisor to Program Executive Officer, Standard Army Management Information Systems; Chief, Analysis and Evaluation Office, Office of the Director of Information Systems for Command, Control, Communications and Computers; Deputy for Armaments and Munitions and concurrently Acting Deputy for Telecommunications and Computers, Office of the Deputy Assistant Secretary of the Army (Procurement); and her recent appointment as Principal Assistant Responsible for Contracting, U.S. Army Corps of Engineers.

Mrs. Greenhouse was named one of the Outstanding Young Women of America in 1975. She is a former Vice President of the Heidelberg-Ramstein Chapter of the National Contract Management Association, a member of the Project Management Institute, the Armed Forces Communications and Electronic Association, and served on the Board of Directors of the Defense Systems Management College Alumni Association. Mrs. Greenhouse is a member of the Army Acquisition Corps and she has achieved Level III Acquisition Professional Certifications in three areas: Contracting, Program Management and Communications-Computer Systems.

She is a Magna Cum Laude graduate of Southern University with a Bachelor of Science in Mathematics. She holds a Master of Science, Business Management from University Central Texas, a Master of Science, Engineering Management from George Washington University, and a Master of Science in National Resources Strategy from the National Defense University. She is a graduate of the Defense Systems Management College's Program Management Course, a graduate of the Industrial College of the Armed Forces, and the Senior Acquisition Course.

Mrs. Greenhouse is married and has three adult children.

4 PARC NOTES

January 31, 1998

GREENHOUSE, Bunnatine H. (Bunny)

SES DAC

DOR: 25 March 1991

BORN: 22 July 44, Rayville, Louisiana

HUSBAND'S NAME: Aloysius (Al)

CHILDREN: 3 (Cheryl, Patrick & Gregory)

EDUCATION:

Dates	Name	Study	Degree
1962-1965	Southern University	Mathematics	BS
1980-1982	Univ. of Central Texas	Business Mgmt	MS
1991-1995	George Washington Univ.	Engr. Mgmt (MIS)	MS
1995-1996	ICAF	Nat'l Resources Strategy	MS

CAREER HIGHLIGHTS:

<u>Dates</u>	<u>Position, Organization, Location</u>
1965-1981	Mathematics Teacher/College Instructor, several states
1981-1981	DOD Procurement Intern, Procurement Agent, Directorate of Contracting, Fort Hood, Texas
1981-1983	Supervisor, Contract Pricing/Contract Administration, Dynalelectron, Corporation, Fort Worth, Texas
1983-1983	Contract Administrator, Dallas/Ft. Worth Airport Board
1983-1986	Procurement Advisor, HQ, USAMC-Europe, Seckenheim, Germany
1986-1987	Director of Contracting, Directorate of Contracting, Carlisle Barracks, PA
1987-1988	Procurement Analyst, HQ, USAMC, Integrated Procurement System Program Office, Alexandria, VA
1988-1991	Procurement Advisor, PEO STAMIS, Ft. Belvoir, VA
1991-1995	Chief, Analysis and Evaluation Office, ODISC4, Pentagon
1996-1996	Chief, Procurement Management Review Team, SARDA, Pentagon
1996-1997	Deputy for Armaments and munitions; and Acting Deputy for Telecommunications and Computers, SARDA, Pentagon
1997-Present	Principal Assistant Responsible for Contracting, USACE

SERVICE SCHOOLS:

PROGRAM MANAGEMENT COURSE (90-3), Defense Systems Management College, 1990

SENIOR SERVICE COLLEGE, Industrial College of the Armed Forces (Class of 1996)

SENIOR ACQUISITION COURSE (Class of 1996)



AWARDS:

ON-THE-SPOT AWARD (DESERT STORM PROCUREMENT), 1991; EXCEPTIONAL PERFORMANCE AWARDS, 1984-1990, 1994-1995;

OUTSTANDING YOUNG WOMAN IN AMERICA, 1975; MAGNA CUM LAUDE GRADUATE, 1965; HS VALEDICTORIAN, 1962

LEVEL III ACQUISITION PROFESSIONAL CERTIFICATIONS: CONTRACTING, PROGRAM MANAGEMENT, COMMUNICATIONS-COMPUTER SYSTEMS

PARC Philosophy/PARC Goals

On 9 June 1997, I was sworn in as the Principal Assistant Responsible for Contracting (PARC). I am indeed grateful for the opportunity to serve our nation as a member of the Corps of Engineers in this capacity. My goal is simply to ensure best procurement and contracting practices are followed that support the attainment of the vision laid out by the Chief of Engineers. My philosophy, equally simple, is to facilitate the best value delivery of goods and services to customers, while maintaining the public trust in the integrity of the acquisition system.

While my responsibilities include the professional development of all contracting personnel in the Corps as well as oversight of the contracting function, I want to stress that this is a team effort. The PARC Office exists solely for the purpose of providing support to the Commanders in the field. In providing that support I shall rely totally upon unfiltered information forwarded for review and approval and your unambiguous request for assistance and guidance. I ask for your trust and confidence in my commitment to finding answers to questions and supportable solutions to problems. I have no interest and will not tolerate in the PARC Office a we/they syndrome. I shall pursue a totally integrated approach to assure that the best possible decisions are made at every echelon in the conduct of the Corps' procurement and contracting business.

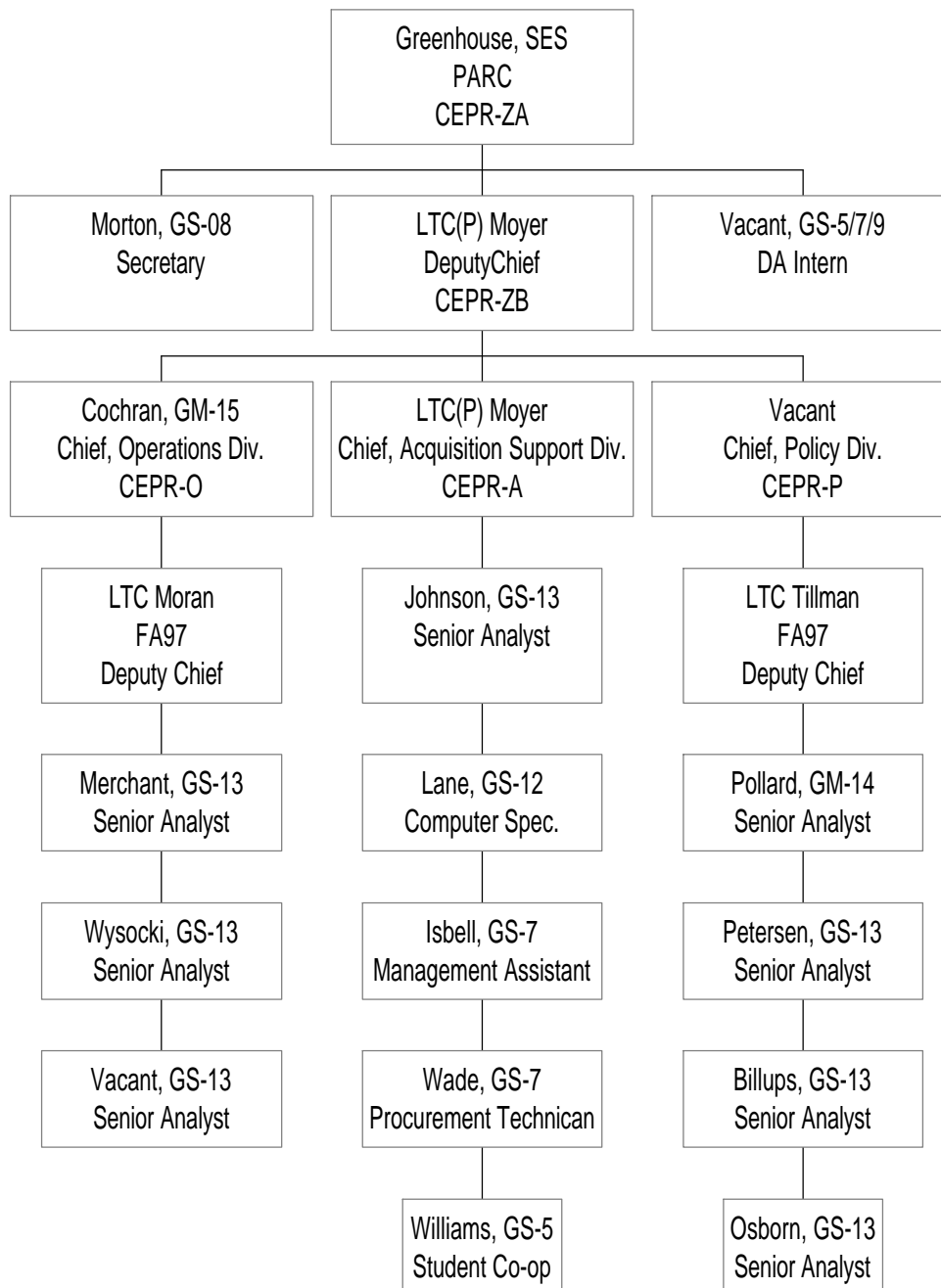
I believe firmly in the empowerment of our contracting personnel to make decisions and accomplish the mission at the lowest possible level within the scope of their responsibility and authority. This demands that I focus on their education, training and professional development and make this one of my highest priorities. My quest is to create and sustain a world-class contracting workforce in the Corps that is second to none in the Federal Government.

I ask that you join with me, as together we forge an acquisition team that always seeks defensible actions which result in best value products and services that support the mission of the Corps.

I look forward to working with each you. I am interested in you and your challenges and how we can help remove every barrier to effective operations. My greatest thrust are on setting the Corps A-F-I-R-E with new concepts of adaptiveness, flexibility, innovativeness, responsiveness and efficiencies/effectiveness; establishing a new concept of Full Service Contracting Staff; creating critical and entrepreneurial thinking and greatly technical savvy among preaward and postaward Contracting personnel; instituting Corps specific roadshows institutionalizing Contracting Officer-led integrated teams; creating a new spirit of partnering with industry; Co-Managing CP-14 and CP-18 careers with employees; and ensuring that every procurement action can withstand any magnification of the microscope from any stakeholders, regardless of the time horizon.

Proposed New PARC Organization

HQ, U.S. ARMY CORPS OF ENGINEERS
OFFICE OF THE PRINCIPAL ASSISTANT RESPONSIBLE FOR CONTRACTING
COM PH: 202-761-0566; DSN: 763-0566; FAX: 202-761-4752



Let's Walk Thru the PARC/PARC Recruits

Spot Light on the Staff

- ◆ **LTC(P) Anita Moyer**, Deputy Chief, Office of the Principal Assistant Responsible for Contracting, will be promoted as Colonel Moyer on March 4, 1998. Congratulations to Colonel Moyer! LTC Moyer holds a MA in Business Administration is a graduate of the Program Management course, the Army War; and served as Commander, Defense Contract Management Command, Reading PA. LTC Moyer is also Level III certified in Program Management and Contracting.
- ◆ **Gail Morton** has tirelessly supported every PARC and Acting PARC for the past 17 years. What corporate knowledge-- What stability and What great talents she brings to the job--dependability, confidentiality, clerical savvy, operational effectiveness, honesty, integrity, zest for responsibility, unflappable commitment to duty. Gail has completed the Defense Acquisition Management four week course and brings vast acquisition experience from the Surgeon General's office and the National Guard Bureau.
- ◆ **Anthony (Tony) Cochran**, Chief, Operations Division, recently became a certified Contract Manager through the National Contract Management Association (NCMA)
- ◆ **Raymond (Ray) Pollard**, Acting Chief, Policy Division, recently was certified as Level III Procurement & Contracting . Broad international experience.
- ◆ **Teresa Wright-Johnson**, Senior Analyst, Operations Division, supports Career Management and manages warrants and certification and training; BS, Political Science with concentration in Public Administration and soon to complete Masters degree in Contracting And Acquisition. She is Level III certified in Procurement & Contracting, a member of the Army Acquisition Corps Eligible program, and a graduate of the Women's Executive Leadership Program. Teresa has worked with acquisition career management at the HQDA level and played an active roll in the Defense Acquisition Workforce Improvement Act implementation for Army.
- ◆ **Jerry Merchant**, Senior Analyst, Operations Division, the PARC's Congressional Response and IMPAC card wizard. Jerry also is manager of Acquisition Management Surveys.
- ◆ **Kathleen Wysocki**, Senior Analyst, Operations Division, the PARC's Competition Advocacy, Contract Audit Follow-up (CAF) & Contractor GFE expert. Kathy is Level III certified in Procurement & Contracting, and brings a wealth of mainstream Army Acquisition experience.
- ◆ **Dave Petersen**, Senior Analyst, Policy Division, an Internationally experienced Procurement professional--historical Corps expert in A&E Contracting. The PARC's Strategic (futuristic) guru.
- ◆ **Angela Billups**, Senior Analyst, Policy Division, a very new arrival from U.S. Army Garrison Aberdeen Proving Ground, Maryland. Angela is a Army Acquisition Corps Eligible, graduate of the Army Management Staff College; BS in Business Administration, MS in Administration and presently pursuing a doctoral degree.
- ◆ **Nancy Osborn**, Senior Analyst, Policy Division, a new recruit arriving in March. Nancy hails from HQ, Military Traffic Management Command, Falls Church, Virginia. She is Level III certified in Procurement & Contracting, MBA and member of Army

Acquisition Corps Eligible Program.

◆ **Johnny Lane III**, Computer Specialist, Operations Division, the blood line of the PARC's Automation and Communication. A Systems Administrator, second to none. Johnny supports with vigor the implementation of SPS and Paperless Contracting.

◆ **Janice Isbell**, Procurement Technician, Policy Division, Our budget guru! Janice also enhances and continuously maintains and upgrades our facilities and furnishings through her keen sense of decorating, eye for quality arranger skills, and stewardship for value in products and services. Janice's skills are a portrait of herself.

◆ **Towanda Wade**, Procurement Technician, Operations Division, our graphics guru for briefings and reports layouts! Great creator skills! Towanda arrived in the "PARC" this year with a whole suite of creative and invaluable expertise provided through the Human Resources Institute.

◆ **Ingrid Williams**, Student Co-op, Operations Division, the editor, designer and layout artist for the "PARC Notes". What a talented individual! Ingrid along with providing daily outstanding performance on the job, has also begun an evening Masters program in Business, Public Administration. Ingrid recently received her BS in Business Administration, Management, with additional training from the Human Resources Institute. Ingrid is soon to enter into the DA Intern program to gain a host of knowledge in the Contracting Field. She has already taken a Procurement Management class in her undergraduate studies.

PARC's Perspective

The Future--Where We're Going As We Move Toward the 21st Century

The Outlook

Acquisition Reform is no longer an option and Not Just Talk! The February 1996 premier edition of the publication, Acquisition Reform **TODAY**, stated that acquisition reform is a "major, irreversible movement for change that will make a real difference for the warfighter and our national defense. Acquisition Reform is not merely a collection of policies and statutes, it is what you do every day to make things better." The world order has changed; threats to U.S. interests have changed; technology is changing and the bounty of resources once enjoyed and oftentimes abused is no longer available. The Federal acquisition system with all of its integral parts must change! The Congress which is part of the Federal Acquisition System's Internal Component must reexamine its impact on the overall system; the User Component must change; the procedures, mindsets of the professionals and statutes that direct the conduct of the Acquisition Process Component must change; the concept of the Industrial Component must be reengineered; and the attitudes and policies that structure the conduct of cooperative relationships with other nations which comprise the External Component must change. Considering dwindling resources as we approach the 21st century; the issues surrounding the five major components of the Federal Acquisition System; and the magnitude of adverse impact on a single major purchase from "unhealthy" conduct of any one of the components of the Federal Acquisition System make it crucial that "**critical acquisition thinking**" from the White House to the foxhole be reformed. Our volatile, uncertain, complex and ambiguous strategic environment can no longer tolerate a bureaucratically paralyzed acquisition system that cannot, in the least, be characterized by adaptiveness; flexibility; innovativeness; responsiveness; and efficiency, in the attempt to acquire quality, affordable goods, on time and within budget. The Deputy Under Secretary of Defense for Acquisition Reform has stated that "We must never forget the mission of the acquisition system is to meet warfighter needs."

With that fact in mind, if the acquisition process is not adaptive, flexible, innovative, responsive and efficient, it must be reformed to design those characteristics into the process.

The complex and, oftentimes considered, inefficient acquisition system existing today was actually designed to protect the government's interest against price-gouging. When competitive market forces could not determine a fair and reasonable price for an item, such as a submarine or a mil-spec jet that was only being sold to the government, other cost-based type of contracting procedures had to be determined to ensure that the profits realized by a company did not exponentially exceed the cost of production of the item. However, critics have long believed that those unique cost-based processes have far exceeded the time and cost of the typical commercial practice that could have been used to afford the same protection. (Ms. Coleen Preston, 1994) echoes the intent of the acquisition system by stating that: "The DOD acquisition system is a web of laws, regulations, and policies adopted for laudable reasons over many years. The intent of the system was to ensure standardized treatment of contractors; prevent fraud, waste, and abuse; ensure that the government acquisition process was fair; check the government's authority and its demand on suppliers; and, enhance socioeconomic objectives. While the intent of these provisions is laudable, combined, the result is a cumbersome system which takes too long to satisfy customer requirements. In addition, the system places administrative burdens on both DOD and our suppliers that adds cost to the product procured. We can no longer afford these costs and meet mission requirements within current fiscal constraints." This foregoing statement alone, should make the case that acquisition reform is not an option--it is imperative!

I firmly believe the present efforts in acquisition reform will bring about astounding change. We must effect a type of acquisition system for the 21st century, that will be adaptive, flexible, innovative, responsive and efficient enough to acquire the most affordable and quality systems, products and services, just in time of need, to support our warfighters. The acquisition challenges over the years have centered on the following, not all inclusive list: buying items smarter, faster, of better quality, and at lower cost; relations between government and industry; a rigid system of military specifications; integration of the military and commercial industry complex; congressional oversight and GAO audits; sustained presidential commitment; layers of management; federal procurement laws; the single-year budget process; personnel improvements; reducing cost and improving weapon system performance; revising policies, practices and procedures; improving communications with users; program

stability/multiyear funding; reporting requirements; shrinking research and development budgets; duplicative efforts; post Cold-War affects upon the defense industry; eliminating unique government requirements; commercialization; electronic commerce; acquisition teaming approaches; reducing cycle time by 50%; reducing cost of ownership; use of performance SPECs and non-government standards; procuring goods and services with "best value" techniques; test and evaluation; empowering people to manage - not avoid risk; competition; cost of socioeconomic concerns; retiring equipment; modernization through spares; and changing the budget process. Until the passage of the Federal Acquisition Streamlining Act of 1994, many industry managers believed that the acquisition process was resilient to change, but because of this act, more industry managers believe the time is now right to speak out and make Congress and the DOD leadership fully aware of non-value rules and regulations that are adversely affecting their competitiveness internationally. They also advise on how specific rules are gravely threatening U.S. technological leadership in certain industries. Current acquisition regulations--with narrow exceptions--prevent a company from sharing equipment, personnel, accounting systems and other resources among their defense and commercial sectors, and force expensive duplication. Doing almost any business with the U.S. military requires maintaining separate cost accounting systems, property control procedures, unique pricing data, and detailed records to support periodic audits. Industry managers are recommending to Congress that "further reduction and elimination of non-value rules and regulations," and fostering "a lower-cost environment in which to compete are essential. Industry managers strongly concur that equipment requiring military specifications and separate production lines are no longer needed.

The FY96 National Defense Authorization Act was signed February 10, 1996. It supported many of the acquisition reform initiatives we now are privileged to enjoy. The implementation Plans for FAR FASA 1994 and DFARS FASA 1994 became reality. Guidance and information have been developed on the following: Acquisition Reform Strategy and Vision; Congressional Testimony and Speeches; Rules of the Road for IPTS; and Process Action Team (PAT) Implementation Memoranda, i.e., Contract Administration PAT, Oversight and Review PAT, Procurement Process PAT, Specifications and Standards PAT. There has been a re-write of FAR Part XV and DOD 5000 series has been integrated with the DOD 8000 series on Automated Information Systems Acquisitions.

The **Army's** Procurement Vision is to "establish the Army as the Government's premier procurement organization. It's guiding

principles are focused on its customers, its people, professionalism, innovation and quality. It's strategic focus is to develop a system which satisfies the customer; minimizes administrative operating costs; conducts business with integrity, fairness and openness; fulfills public policy objectives; selects contractors who have a track record of successful past performance; promotes competition; uses sound business judgment; maximizes use of commercial products and services; uses best value source selections; and promotes an integrated, strong national industrial base. Its goals are to "Empower innovative, procurement professionals; acquire affordable quality products and services and ensure on-time delivery of supplies and services." The Army is also working a concept of "contingency contracting" that will cut cost, acquisition lead time and better support readiness in the variety of contingency operations that could evolve. The Corps of Engineers will play in all these initiatives and be a big player!

Congress is aggressively investigating how to revise and streamline the acquisition laws of the federal government. They have looked at overhauling the concept of competition; overhauling the Foreign Military Sales Fee requirement; and looked into revising the mechanisms for resolving federal procurement disputes.

All services and federal agencies are concentrating on hiring and certifying the best acquisition workforce; is looking at Cost as and Independent Variable; and has institutionalized successful integrated product teams for routine contracting operations.

The **DOD audit community** has developed a white paper summarizing initiatives that are underway to reengineer the audit and inspection planning process, with emphasis on acquisition programs and contract oversight.

All players in the acquisition process appear to be hard-wired to the warfighter by ensuring that its bureaucratic impacts on readiness are reengineered. Over the years, commissions after commissions have identified the priority issues, developed strategies and action plans under the umbrella of acquisition reform, but little change had been noted, until the quantum leap that was made with the Federal Acquisition Streamlining Act of 1994. That first set of laws seems to have initiated a snowball affect that is now taking on momentum. There must be the right balance of power among the parties who make up the acquisition community, focused on a "readiness" that is safeguarded, at whatever expense. Reforms, for too long have continuously resulted from procedures and legislation that have failed rather than from a critical analysis of long standing business principles that were tested for feasibility on the Department of Defense. I look at DOD business as a tailored subset of the type of business infrastructure and principles that helped our country for so many years survive as an economic

superpower. I believe we should start with the tenets of that business model and reconstruct defense business on a more stable foundation. Even though the reform effort has experienced some success this time by trading-off the "ills" of one component of the acquisition system on another component, we must now focus in the 21st century on a reform that will serve more than another short-term pseudo-fix.

How can acquisition reform truly become reality and become firmly institutionalized in our government as a cornerstone? In the Corps all initiatives must be implemented as integrated efforts with the simultaneous support of all of the system's components. To succeed and get off of the cyclic acquisition reform treadmill, I believe each component must seriously agree to begin a zero-based culture and attitude change toward their commitments to the security of the nation, the public trust and the readiness of the soldier. Protecting the security of the nation, the public trust and readiness of the soldier must be the unity of purpose that must be met, at all cost, rather than individual component desires, and that unity of purpose must be constantly guided by the leadership.

I believe the right issues have been identified; many of the right business principles have often been debated; but the missing element is the concurrent implementation of those issues and principles in an integrated acquisition infrastructure where no acquisition-component's selfishness threatens the unity of purpose. It must be clearly understood that this futuristic option to finally realize acquisition streamlining and reform is not based on new knowledge, new business principles, but on new attitudes of sacrifice and proper balancing of all the goals and objectives of the acquisition infrastructure toward a most needed unity of purpose for survival of best value contracting. This unity of purpose will force the systemic change that is required to effect lasting acquisition streamlining and reform. Each player in the acquisition process is hereby challenged to embrace a new culture of teamwork and prove that acquisition reform is real, not just talk, and not an option! It must be aggressive and must permeate the entire acquisition infrastructure. I challenge the Corps acquisition community to get off the periphery of reform and go deep for a systemic overhaul.

PARC POC's

Bunny Greenhouse:	<ul style="list-style-type: none">- Competition Advocate- Acquisition Reform Advocate- CP14 Career Program Manager
LTC Anita Moyer:	<ul style="list-style-type: none">- Ombudsman- Property Book Manager- Budget Coordinator- Joint Acquisition Conference, Co-POC- Past Performance Coordinator
Gail Morton:	<ul style="list-style-type: none">- Office Administrator- PARC Calendar Administrator- Personnel Administration Support- Congressional Support
Tony Cochran:	<ul style="list-style-type: none">- Acquisition Management Survey (AMS) Team Leader- Command Inspection Coordinator- DOC/COC Appraisal Support Coordinator
Ray Pollard:	<ul style="list-style-type: none">- Environmental Contracting- Capital Venture Initiative (CVI), Fort Hood
Teresa Wright-Johnson:	<ul style="list-style-type: none">- Warrants/Certification Long Term Training Coordinator- Career Management Support
Jerry Merchant:	<ul style="list-style-type: none">- IMPAC Card Administrator- Congressional
Kathy Wysocki:	<ul style="list-style-type: none">- Contract Audit Follow-up (CAF)- Competition Advocate Support- Contract Government Furnish Equipment (GFE) Coordinator

- Dave Petersen:**
- Strategic Planning
 - A&E Contracting
- Angela Billups:**
- Standard Procurement System (SPS) Administrator
 - Paperless Contracting Coordinator
 - CVI Initiatives
 - Environmental Initiatives
- Nancy Osborn:**
- Environmental Initiatives
 - Roadshow Implementation
 - Joint Acquisition Conference, Co-POC
 - CVI Initiatives
- Johnny Lane:**
- System Administrator
 - SPS Support
 - Paperless Contract Support
 - Past Performance Support
- Janice Isbell:**
- Budget Administrator
 - MIPR Management
 - Facilities Maintenance Upgrades
 - Analytical Support
- Towanda Wade:**
- Graphics Administrator
 - Congressional Support
 - Personnel Administration Support
 - AMS Support
 - J&A Support
 - Mil-spec Support
- Ingrid Williams:**
- PARC Notes Editor/POC
 - Warrants/Certification Support
 - Congressional Support
 - Personnel Administration Support

PARC Initiatives

Hubbing & Spoking--New Concept of Full Service Contracting (FAA Contracting Restructuring)

FAA CONTRACTING RESTRUCTURING CORPS CORPORATE RIGHTSIZING IN CONTRACTING

PARC's Philosophy Behind the Approach

CONTRACTING RESTRUCTURING IS AN EFFORT TO SHIFT THE STRATEGIC FOCUS OF THE CONTRACTING ACTIVITIES IN THE CORPS.

THE CORPS HAS SADDLED COMMANDERS WITH THE NOW IMPOSSIBLE TASK TO PROVIDE EFFICIENT FULL SERVICE CONTRACTING AND SUSTAIN STAFFS THAT ARE OFTEN NOT NECESSARY TO MAINTAIN ITS COMPETITIVE EDGE AND BE MISSION READY TO SUPPORT ITS CUSTOMERS.

HQDA IS ALSO CHALLENGING THE CORPS IN ITS FAA DOWNSIZING DRILL TO IDENTIFY ITS STRATEGIC POSITION IN CONTRACTING FOR THE ARMY. WE MUST CREATE A UNIQUE AND SUSTAINABLE POSITION IN THE ARMY FOR THE CORPS OR THE CORPS CONTRACTING BUSINESS WILL NOT BE PROTECTED AND COULD BE SWALLOWED UP BY THE SATELLITES AND CENTERS OF THE MAINSTREAM ARMY.

TO SURVIVE IN THE ARMY, CORPS CONTRACTING MUST BE OPERATIONALLY EFFECTIVE. WE MUST IDENTIFY AND EXTEND OUR BEST PRACTICES AND LEVERAGE OUR EXPERTS.

THE PARC OFFICE CHALLENGED ALL CONTRACTING ACTIVITIES IN THE CORPS DOING OUR FORUM/WORKSHOP IN DALLAS (18-22 AUGUST) TO IDENTIFY WHERE THEIR BUSINESS STRENGTHS LIE. THEY DETERMINED HOW THEY COULD CUT DOWN THE COST OF DOING BUSINESS. HOW TO ESTABLISH CORPS DIVISION/DISTRICT INTERDEPENDENCE - HIGHLY EFFICIENT VIRTUAL FULL SERVICE ORGANIZATIONS - AND EFFECTIVE PARTNERING RELATIONSHIPS FOR THEIR CUSTOMERS' BENEFIT.

WHAT IS THE BEST MIX OF CAPABILITIES, EXPERTISE AND EXPERIENCE IN THE VARIOUS TYPES OF CONTRACTING THE CORPS MUST EXECUTE?

THEY CONCENTRATED ON IDENTIFYING THOSE FEW CORE CONTRACTING ACTIVITIES THAT ARE MISSION CRITICAL AND SUPPORT THEIR UNIQUE CAPABILITIES FOR THEIR CUSTOMERS.

BY THE CHIEF APPROVING A NEW CONCEPT OF FULL SERVICE CONTRACTING, DISTRICTS NO LONGER HAVE TO BE ALL THAT THEY CAN BE AS INDEPENDENT ENTITIES. THEY CAN GROW WHAT THEY DO BEST AND DEPEND ON OTHER DISTRICTS FOR SUPPORT. EVEN ACROSS DIVISIONS. POACHING WILL NOT BE A NECESSARY MARKETING STRATEGY FOR SUSTAINMENT OF A STABLE WORK FORCE.

OTHER AGENCIES WILL NOT ACQUIRE A COMPETITIVE ADVANTAGE THROUGH CHEAPER SERVICES THAT FIGHT FOR THE CORPS TURF--SPECIFIC CORPS CONTRACTING WILL BE PROTECTED. THE CORPS COSTS WILL GO DOWN.

COMMANDERS/DOCS MUST AGGRESSIVELY SEEK WAYS TO ELIMINATE, LIMIT OR OUTSOURCE CONTRACTING ACTIVITIES THE DISTRICT/CENTER/LAB CANNOT ATTAIN EFFICIENCY IN PERFORMING--ESPECIALLY WHEN THOSE ACTIVITIES ARE NOT ESSENTIAL TO THEIR CHOSEN AREAS OF STRATEGIC FOCUS.

TO DO THIS, THE OPARC MUST CREATE A NEW CULTURE IN THE CONTRACTING COMMUNITY THAT ENHANCES COMMUNICATION, COOPERATION AND COORDINATION.

OUR GOAL IS TO SET THE CONTRACTING OFFICES A-F-I-R-E, ENSURING THAT ALL ARE STEEPED IN THE AGGRESSIVE CHARACTERISTICS OF ADAPTABILITY, FLEXIBILITY, INNOVATION, EFFECTIVE AND EFFICIENCY TO THE MAXIMUM, WHILE OUTSOURCING, TO THE MAXIMUM, NON-CRITICAL MISSION FUNCTIONS.

THE STRATEGY IN HUBBING/SPOKING IS A WORKLOAD- ACTIVITY-FOCUSED STRATEGY ON EFFICIENCY. WORKLOAD-DRIVEN-EFFICIENCIES AROUND THE TYPE OF WORK BEING DONE.

WE ARE LOOKING AT A RELATIVE POTENCY OF THE DISTRICTS/LABS/AND CENTERS EFFICIENCY.

WHAT DOES EFFICIENCY MEAN? EFFICIENCY MEANS WHERE THE LEAST ASSETS OR RESOURCES ARE BEING USED TO DO THE JOB. WHERE THE SMALLEST COST IS APPLIED TO EXECUTING VARIOUS TYPES OF AWARDS.

THE DIVISION/DISTRICT COMMANDER DECIDES FOR HIS CUSTOMERS. THE DIVISION COMMANDER IS THE FOCAL POINT FOR BUSINESS DECISIONS AFFECTING THE SUBORDINATE DISTRICTS OF THE DIVISION. HE/SHE IS AT THE CENTER OF BUSINESS. HE/SHE DECIDES TO CONTRACT INTERNALLY OR SOURCE THE CONTRACTING EXTERNALLY WITH ANOTHER DISTRICT WITHIN HIS/HER DIVISION OR OUTSIDE HIS/HER DIVISION.

WITH EVERY TYPE OF CONTRACTING BEING DONE IN THE SUPPORTED AREA, A SERIES OF QUESTIONS WILL BE ASKED: CAN WE ACHIEVE BEST-IN-THE-CORPS CONTRACTING

FOR THIS FUNCTION? IF SO, SHOULD IT BE PART OF OUR HUB (CORE) FUNCTIONS? IF NOT, WHAT POSSIBILITIES EXIST FOR OUTSOURCING THE ACTIVITY OR FORMING A STRATEGIC ALLIANCE WITH ANOTHER DISTRICT OR DIVISION WHO HAVE DEMONSTRATED SUPERIOR CAPABILITIES IN THAT AREA OR HAVE DEMONSTRATED LESS COST/\$ AWARDED.

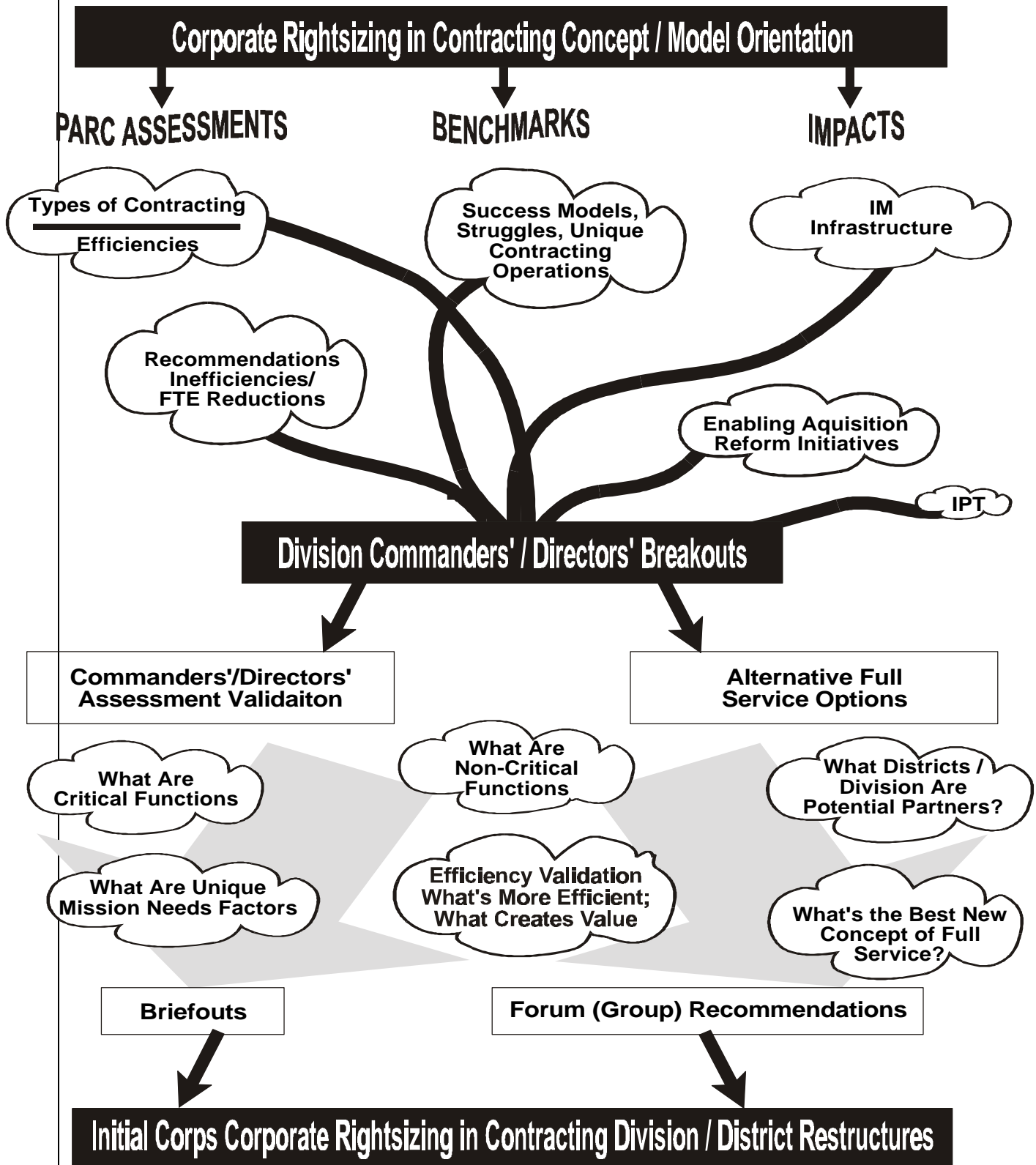
IN ALL OF THIS, REMEMBER, WE ARE NOT HOLLOWING THE DISTRICT OUT. WE ARE THINKING CORPORATELY FOR THE CORPS. WHENEVER A DISTRICT CONTRACTS FOR SOMETHING INTERNALLY THAT ANOTHER DISTRICT CAN BUY MORE EFFICIENTLY AND EFFECTIVELY, WE BELIEVE IT SACRIFICES COMPETITIVE ADVANTAGE AND SOMETIMES LONG TIME SURVIVAL FOR THE WHOLE CORPS. STRATEGIC SUCCESS FOR THE CORPS TODAY IN CONTRACTING WILL BE DETERMINED BY DISTRICTS FORMING COALITIONS WITH ONE OR MORE DISTRICTS WITHIN THEIR DIVISION OR WITH ANOTHER DIVISION TO GET ITS CUSTOMERS' WORK DONE. THAT'S THE PHILOSOPHY BEHIND THE APPROACH THAT YOU WILL SEE IN THIS BRIEFING. WE WANT THE FINEST TEAM AND BEST VALUE CONTRACTING AT EVERY DISTRICT. WE DO NOT WANT EXPENSIVE SWEAT SHOPS IN THE CORPS. WE WANT UNIQUE DEPTH IN WHATEVER THE COMMANDER SELECTS AS HIS CORE FUNCTIONS FOR CONTRACTING. WE WANT CONTRACTING ACTIVITIES A-F-I-R-E WITH SUPERB OUTSOURCING COALITIONS AND SOUND LOGISTICS OF OPERATIONS THAT WILL BE SUPPORTED BY OUR IM COMMUNITY. THE BIG CHALLENGE IN THIS PROCESS IS:

WHAT STAYS! WHAT GOES!

INDEPENDENT FULL SERVICE CONCEPT--BIG COSTS/ SOMETIME
LARGE OVERHEAD--THAT'S OUT.

THE OBJECTIVE IS NOT TO SLASH COSTS AND PEOPLE SIMPLISTICALLY, BUT RATHER TO BUY PRODUCTS AND SERVICES FOR CUSTOMERS MOST EFFECTIVELY AND EFFICIENTLY.

FORUM / WORKSHOP PROCESS



CORPS RATIONALE AND METHODOLOGY FOR BUSINESS SYSTEM IMPROVEMENT

Goal: Interactive/Continuous Process Improvement toward maximum efficiency and effectiveness to achieve dramatic improvements in critically measured performance.

1. Consolidation Guiding Principles: a. Is consolidation feasible--does it make sense? b. If feasible, how would the consolidation look? Alternatives: (1) Consolidate all Labs, **concentrate on R&D**, export other contracts (out-source). (2) Regionalize contracting for districts. (3) Develop USACE centers for specialized areas (e.g., HTRW over \$75 Million). (4) Create Modified or Affiliated Activities and/or on-site liaisons.
2. Criteria for consolidation. a. Co-location. Advantages and disadvantages. b. Function. Advantages and disadvantages. c. Region. Advantages and disadvantages. d. Keep one door to the Corps. Maximize one-stop contracting operations. Full/modified service for all activities. e. Workload: Eliminate duplication of functional or unnecessary effort/redundancy. f. Legal and Human Resources concerns. g. Standardization of business practices and objectives.
3. Subjective considerations. a. Impact on USACE mission. b. Scope and effect of contracts. c. Complexity of contracts. d. Successful measurements made toward acquisition reform. e. Local management initiatives. Utilization of high grade workforce. f. Risk identification g. Pilot center concepts. h. Minimize overhead costs. I. Commanders needs. j. Customer needs/expectations. k. Performance gaps.
4. Staffing considerations for 800 and 1100 series contracting workforce broken down by activity.
5. Business System Component Consideration: a. Customer. b. Product/Services. c. Competence. d. Process. e. Management. f. Workforce. g. Structure. h. Technology. I. Culture. j. Environment.
6. Final recommendations for divisions and subordinate districts, labs, and field operating activities.
7. Envisioned Corporate Benefits: a. Process management and activity-based costing techniques for cost control. b. Increase in competence/leverage of expertise and ultimate reduction of 49 contracting workforce FAA spaces. c. Workforce cultural change - changing values, expectations, motivation, vision, diversity; realistic pushes towards empowerment and development (improving employees skill sets and critical thinking concepts). d. Improved innovation:
 - (1) Workflow management practices.
 - (2) Performance/competence-based reward accomplishment.
 - (3) Partnering.e. Greater improvements in information technology utilization through consolidation of resources. f. Exceed expectations and foster continuous improvement in customer service/productivity/quality/speed/responsiveness/communication/ coordination/cooperation.

SAACONS/SPS NEWS

Kevin Doyle, SAACONS System Manager
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SPS OVERVIEW

The Standard Procurement System (SPS) is the DOD Acquisition System. This system is based on the PD2 (Procurement Desktop2) developed by American Management Systems in Alexandria, VA. PD2 is being used by some other Federal Agencies and by the Canadian government. This package has been adjusted to meet the requirements of DOD acquisition processes. General information about SPS can be obtained on website <http://www.sps.hq.dla.mil/>

Technical Infrastructure for SPS is a flexible implementation of open systems architecture. The MegaCenters can support the Massive Parallel Processing (MMP) or Symmetric MultiProcessing) SMP using various server services. The hardware is divided into three parts: system, user and network hardware. Existing equipment and communication systems are used wherever possible. HQUSACE, CEIM will be designing the system server architecture and determining database locations.

User hardware includes the Local Area Networks (LAN), Personal computers (PCs) and printers. Users will use the LAN servers to share access to local resources and connection to the Defense Information System Network (DISN) and Non-Classified Internet Protocol Network (NIPRNET). Users will use the PCs to run all or part of the SPS application. The minimums for these desktops has been distributed previously. PROMIS level PCs will function sufficiently for SPS. Modems can also be use for connection purposes, but are not recommended except for emergency situations. Network hardware like routers and bridges will connect the users to the NIPRNET or DISN. The fonnat for transfer of data will be TCP/IP.

The SPS system consists of three functional components - SPS commercial software (PD2), Special Contract Administration Functions (like PPMIS, ACASS, SSCASS, CCASS and other COE specific applications) and Shared Data Warehouse (the repository of data that is common or used by multiple functional comununities ... vendor information).

Any new applications or interfaces for SPS will utilize a 4 GL RDBMS as much as possible. SQL is the data access language for SPS.

General Comments: SPS is designed to process a multitude of acquisition actions. Though not inclusive of every integration of contracting within the Corps of Engineers, simple adjustments or special procedures can be developed to maintain the productivity required. Reporting can be standardized and distributed to SPS servers as datacalls arise. This system is not a replacement for SAACONS. Most of the functionality of SAACONS has been preserved in SPS -- this system is a different road to the same goal. The look and feel of SPS is a 90s technology vs. the 80s version in SAACONS. The shared data warehouse and client/server functions reduced the stovepipe processes of the past and provide a means to move forward into the 21st Century.

FAQs

These FAQs are based on general observations and concerns from the Corps of Engineers representatives. Answers are based on data received from the Army EC Conference III, PMO office and the SPS web site.

1. What software will I need for SPS on my desktop?
WIN95 or NT, and Office 97. If users do not have Office 97, the contractor will provide it at no cost when SPS is fielded.
2. Will SPS require new processes to be learned for the CEFMS interface?
No, The interface to CEFMS will remain the same as is currently in SAACONS
3. How long will it take to convert our SAACONS data and start up SPS?
Estimated installation at the site is 1-2 days.
4. Does each COE site have to pay maintenance fee for SPS? No, the PMO office is funded for this until 2005.
5. Can I save a Word document to my hard drive as well as to the server?
Yes, You may use "Save As" function in Word to copy the file to your hard drive and may control permissions on the file on the server.
6. Will SPS look like SAACONS with the menus and use the Function keys?
No, SPS is a Windows based applications, options will be displayed by dialog boxes and dropdown menus.
7. How will I get a new vendor in SPS if they are not in SAACONS?
All vendors will have to register in the Central Contractor Registration Database. New vendors will be selected from the Shared Data Warehouse.

SAACONS System Manager Role in SPS

Kevin Doyle will work as a liaison for the transition between SPS and SAACONS for COE. His role will be to observe the operational assessments of the Beta 4.0 version of SPS and provide guidance to aid other COE sites in their deployment. Also his responsibilities will include assuring the transferring of adhoc from the Query menu System for SAACONS into SPS where necessary, provide trouble shooting and problem solving as needed for SPS deployment. He will act as technical POC between the PMO office, SARDA and AMS.

POCs for SPS at HQUSACE

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SPS Accelerated Development Schedule

HECSA	6/22	16	
Huntsville	6/22	54	High
Memphis	6/22	19	
New Orleans	6/22	40	
St. Louis	6/22	32	
Vicksburg/WES	6/22	49	
Kansas City	6/22	32	
Omaha	6/22	50	
Baltimore	6/22	73	High
New York	6/29	25	
Norfolk	6/29	30	
Philadelphia	6/29	28	
New England	6/29	15	
Buffalo	6/29	9	
Detroit	6/29	25	
Rock Island	6/29	17	
St. Paul	6/29	16	
Alaska	6/29	22	
Portland	7/6	27	
Seattle	7/6	31	
Walla Walla	7/6	23	
Huntington	7/6	26	
Louisville	7/6	42	
Nashville	7/6	22	
Pittsburgh	7/6	19	
Far East	7/6	13	
POD	7/6	23	
Japan	7/13	16	
Charleston	7/13	13	
Jacksonville	7/13	24	
Mobile	7/13	45	
Savannah	7/13	80	High
Wilmington	7/13	20	
LA	7/13	28	
Sacramento	7/13	60	High
San Francisco	7/13	14	
Albuquerque	7/20	9	
Fort Worth	7/20	96	High
Galveston	7/20	11	
Little Rock	7/20	24	
Tulsa	7/20	21	
TAC	7/20	28	
EUD	7/20	30	
TOPO	7/20	8	
Cold Region LabCERL	7/20	6	
CERL	7/27	19	



PARCing Information Throughout the Corps (PARC Staff)

Credit Card Mania

By Jerry Merchant
HQUSACE

The Government-wide Commercial Credit Card Program

Interestingly enough, "credit cards" are now being officially termed "purchase cards", but we still owe the money when we use them. We are in the Ninth year of the present GSA contract. The new contract has been competed and new award announcements are expected almost momentarily.

For those that thought there was a new award last year, sorry. That was a change of platforms from Rocky Mountains BankCard Systems to that of its parent, FirstBank. (Which subsequently became US Bancorp). The department of Defense was shifted to a standard commercial platform which among other things, made the corporate center the Approving Officials and his/her cardholders, rather than the entire activity. In the event of nonpayment, only the smaller group is at risk for card suspension, and the reporting thereof. The overriding benefits of this change are painfully obvious, but the transition was painful as well. The Office of the PARC would like to take this opportunity to thank each and every one of you for your efforts.

The Corps of Engineers went into commercial credit cards in the first year of the contract and it has been quite a learning experience. The Agency Program Coordinators (APC's) in our Districts and Laboratories are probably one of the best resources in the Federal Government insofar as knowledge of this program is concerned.

Our good news this month is that the backlog of invoices from the old Rocky Mountain platform are nearly cleared. The bad news is that invoices from the new CPS platform are aging rapidly. All commercial banks are privy to our payment records, and the Governments in general and this will of course be factored into future proposals from the financial community. The transparency of credit card transactions for audit purposes has been stressed, but we need to stress too that payment histories are extremely public. Your friends and neighbors know the good work the Corps does, but if we are remiss in paying our bills, they'll know that too. While we know that these are business processes that need to be fixed, they don't know that at all. We do not want any tarnish upon our reputation or integrity. More next month.

Government Property - DoD Property in the Custody of the Contractors and Reports of Disposition

By Kathleen M. Wysocki

Note: Within the context of this note, the term "Government property" refers to the management of Government property in the possession of Contractors.

Contracting personnel are required to forward accurate, complete and timely information to Army. The OPARC found that many USACE contracting personnel are unfamiliar with content requirements and preparation for completing DoD forms required by Army. As a result, USACE routinely has been unable to meet regulatory requirements and requests having high DoD visibility.

Army focal points have had to expend a considerable amount of time to obtain accurate information from Corps' offices (contracting or other). This in turn has caused past PARCs and OPARC personnel to divert effort and resources from other priorities.

Exasperating the situation, many USACE contracting offices do not seriously consider the requirements imposed by DoD/ SARDA as their responsibility, because USACE, by virtue of its mission statement, has customarily placed the requirement upon supply and logistical management personnel. In general, neither logistics management, supply, or contract property personnel are trained. The

Corps does have a few GS-1103 in the workforce.

AFARS 45.505 requires property administrators to forward a copy of a DD Form 1662, DoD Property in the Custody of Contractors, for each contract administered by Army to SARDA's focal point at the U.S. Army Industrial Engineering Activity (IEA) by 5 November of each year.

Each year IEA provides each contracting office with a listing of their previous years contracts requiring updating and in the past several years, guidance/directions to accurately complete the necessary forms. Army's proactive assistance has been to no avail.

By mid-December, Army routinely has to request assistance from the PARC to obtain the forms and then initiates a concerted effort to correct all errors on a case by case basis. This last year, 05 November 1997 requirements requested by Army were forwarded from USACE field offices on 21 JAN 98. As Army's requests are funneled through PARC channels, it can be said that Army assumes the effort is accomplished by trained GS-1103, Property Administrators, or GS-1102, Contract Specialists. USACE organizational guidelines generally have contracting offices forwarding these requirements to the Office of Logistics Management for completion by GS-345/6, Logistic Managers, or GS-2000 Supply Technicians, prior to being forwarded to Army. Many contracting offices, without in-depth subject matter knowledge, do not complete a thorough review of their DD Form 1662 submissions.

Recently, Mr. Hamre, Deputy Secretary of Defense, through his Management Reform Memorandum No. 5 of May 21, called for a plan to dispose of all excess Government property in the possession of contractors by 01 January 2000. Because of this initiative, we are, now, required to furnish quarterly reports on the disposition of excess DoD property using a DD Form 1638, Report of Disposition of Contractor Inventory. This January, we found USACE contracting offices unfamiliar with the form, who at Army's prompting had to correct and resubmit its information. It is unclear if higher level reviews at the districts and MSCs are performed prior to information being forwarded to higher level headquarters.

The OPARC recognizes, it has not taken an aggressive position in providing job specific training in the area of Government property, nor has it defined, throughout the Corps structure, the contracting office's responsibility in this area.

In the coming months, the OPARC will take action to improve the management of the USACE Government Property Program and the quality of its Government property related submissions to SARDA. An assessment will be made of training and experience within the USACE contracting workforce, to identify USACE unique training needs and subject matter coverage. Thereafter, we can request Army develop or offer assistance in developing a one or two day tutorial/training, including software requirements, to cover USACE deficiencies and allow corrective activity.

The OPARC is looking forward to working closely with Army representatives to develop non-formal specific topic training for Corps personnel and with each USACE field activity to ensure that appropriate personnel are trained -- hopefully, in sufficient time to improve FY 1998 submissions to SARDA.

By Anthony Cochran

The following is a schedule of Acquisition Management Surveys planned for the remainder of FY-98:

24-27 Feb 98 - Charleston
10-13 Mar 98 - Albuquerque
14-17 Apr 98 - Huntsville
19-22 May 98 - Little Rock
16-19 June 98 - Nashville
7-10 July 98 - Portland
4-7 Aug 98 - San Francisco & SPD

Chiefs of Contracting Offices should continue to focus on Acquisition Reform Initiatives and overall efficiency & effectiveness (e.g. actions/\$ per person, cost per dollar, etc.)

Acquisition Management Surveys indicate that areas of improvement exist in: (1) "Investment in people". Specifically, contracting managers can develop initiatives to enhance the educational & professional development of CP-14 and CP-18 personnel in contracting; (2) Improving Customer Service. Site visits by Contracting Officers are limited in some cases and in others non-existent. Such initiatives are needed to assess customer feedback, enhance customer satisfaction and improve technical awareness; (3) Utilization of Best Value. Application of Best Value practices have increased within the Corps however we can improve significantly; and (4) Development of Solicitations. All solicitations citing Brand Name or Equal should conform to DFARS 211.270 and include all requirements, e.g. salient characteristics, generic description, list of all known acceptable brand name products including name of manufacturer, etc.

From a positive perspective, Contracting Officers have been found to be full participants in Project Review Boards & Quality Councils. Solid teaming & partnering with technical staff elements continues, and is encouraged. Internal Reviews & certain management controls have become standard practices.

In responding to USACE "Data Calls" all Contracting Offices are urged to coordinate actions with appropriate staff elements prior to forwarding a final response, e.g. Request for Extraordinary "Relief" under FAR PART 50 should be coordinated with counsel. We can support the decision making process of higher authority by insuring that accurate data is furnished in a timely fashion.

Portland District has been honored by the U.S. Small Business Administration as 1997 Agency of the Year for support to Small Disadvantaged Business.

By Anthony Cochran

Central Contractor Registration

Central Contractor Registration is the Federal government's repository of pertinent data common to all contractors, and the single place for contractors to register for conducting business with all federal government agencies. Contractors register only once, with a requirement for annual renewal Benefits of CCR include: One time registration for all federal government requirements Greater Visibility and access to all federal procurement agencies for both electronic Data Interchange (EDI) and non-EDI capable firms, Less time entering contractor information reduces errors and expedites payments using EDI.

Only valid contractors registered in CCR by March 31 will be eligible for contract awards with the Department of Defense. A paper form for registration may be obtained by calling 1 800-334-3414, or through the CCR web site at <http://www.acq.osd.mil/ec/>.

The Federal Electronic Commerce Acquisition Team (chartered by OFPP) issued a final report Oct 13, 1994, Streamlining Procurement through Electronic Commerce. It defined the overall architecture which included a single means of supplier registration to do business electronically with the Federal Government. This OFPP initiative was a result of an executive memorandum signed by President

Clinton directing a definition of an architecture for a government wide electronic commerce capability. Via Memorandum dated Feb 10, 1997, DOD (Ms. Spector) advised of its plans to propose regulations requiring that contractors must be registered in the CCR. Via memorandum dated June 11, 1997, DOD (Ms. Spector) advised of a new registration date, no earlier than March 31, 1998.

An interim rule regarding CCR was published in the Federal Register, Vol 62, Number 178, dated Sept 15, 1997

Again this is a reminder to all Contracting activities that as of March 31, 1998 all Contractors doing business with the Army must be registered in the Centralized Contractor Registration (CCR). Please advise those contractors who are or want to do business with DoD that they must be registered by March 31, 1998. You can get a copy of the registration form on the web site www.acq.osd.mil, click on the office Navigator, then click on Principal Deputy-Defense Procurement and scroll down to the Centralized Contractor Registration (CCR) and click on.

By Dave Petersen

Basic Ordering Agreements (BOA) and Blanket Purchase Agreements (BPA)

BOA-- A written instrument of understanding, negotiated with a contractor, that contains terms and clauses applying to future contracts (orders) during its term- a description of or services to be provided; and, methods for pricing, and issuing future orders

under the agreement Still have to comply with FAR Part 6 when initiating or placing orders against a BOA.. Efficiency may be gained in reaward however still requires advertising and negotiation of proposal for each order. Contractors are not required to accept an order and that could lead to additional time to prepare and award a solicitation.

BPA--A simplified method of filling anticipated repetitive needs for low value supplies or services by establishing "charge accounts" with qualified sources. As the order is placed and consummated upon performance, the supplier is under no obligation to perform.

General Applications/ BOA--Used to expedite contracting for supplies or services when specific items, quantities, or prices are not known and a substantial number of requirements for the supplies or services are anticipated to be purchased from one contractor.

BPA--Established to provide low value supplies or services to support operations of an office, installation, project, or function.

Corps Applications/ Some of current uses of BOAs and BPAs include training, tree removal, heavy equipment maintenance, real estate appraisals, drafting supplies, and general office supplies.

Normally BOA's are used for spare parts provisioning since it can lead to economies in ordering by reducing procurement lead time, inventory investment and inventory obsolescence. They do not lead themselves to augmenting traditional HTRW/JOC/Construction/A-E contracting since requirements differ by project. It should be noted that New Orleans has several BOAs for dredging to augment the Corps Reserve Fleet, but they have never been used.

BPAs can be used to fill a wide variety of requirements to support office operations when the exact items, quantities and delivery requirements are not known in advance. Requirements are normally based on historical knowledge and are priced in advance.



*Improving Efficiencies
(OPARC Reports)*

Acquisition Reform Advocate's Perspective
Acquisition Reform Alerts

Acquisition Reform is not an option - *If the Army is to afford modernization of equipment for our warfighters and improve our installation to*

TITLE	FREQUENCY	REQUESTOR	OPARC POC
DD 350/DD1057 Ad-hoc Queries, i.e FOIAs	As Requested	OPARC Action Officers	Johnny Lane III
Annual Report to Congress	January	Department of Army/CEMP	Anthony Cochran
Consolidated Command Guidance	April & October/Semi Annual	PARC	Anthony Cochran
Mil Specs/Standards	Quarterly	Department of Army/AMC	Cochran/Wade
85,804 Actions FY-97	2nd Quarter	SARDA	Cochran/Wade
Federal Domestic Assistance Program	October	DA/DOD	Troyan/Lane & Roberts
Status Report on Specified Contract Audit Report (RCSD- IG(SA)1580)	April & October Semi Annual	DOD/Army	Kathy Wysocki
Summary Cover Letter from PARC of Overage Audit Review Board (OARB) Actions	May, November Semi Annual	Army	Kathy Wysocki
DOD Property in the Custody of Contractors (DD Form 1662) RCS DD DR&E(A) (1087)	November	DOD/Army	Kathy Wysocki
Disposition of Contractor Inventory, DD Form 1638, on Army identified contract(MRM#5)	Quarterly	DOD/Army	Kathy Wysocki
Status of property control system/utilization reviews on an Army Identified contract (MRM#5)	Monthly	DOD/Army	Kathy Wysocki
Special Competition Advocates Annual Report to the Army Competition Advocate General (RCS) DD-ACQ(AN) 1644	December	Army	Kathy Wysocki
Recommended Competition Goals	October	Army	Kathy Wysocki
Competition Advocates Supplementary Information (RCS SAOSA-208)	December	Army	Kathy Wysocki
Acquisitions of Energy Efficient Micro-computers	October	DOD/Army	Kathy Wysocki
Non-FACNET Procurement Electronic Commerce Data	Monthly	Army	Kathy Wysocki
Record of Weighted Guidelines Method Application, DD Form 1547	30 days after contract negotiations	DOD/Army	Kathy Wysocki
Reporting Requirements: approval Granted for Contracts Requiring the Use of Ozone-Depleting Chemicals Per Public Law 102-484, Section 326	January	Army	Kathy Wysocki
A-E Contract Activity	January	CEMP	Johnny Lane

support a force projection Army--reform in the Acquisition culture from the White House to the foxhole must become reality. All five components of the Acquisition Community- -Congress, the user/require, the Industrial Base, Contracting Personnel and their full integrated team of support, and our foreign allies must change! Be assured OPARC is Committed to help lead that Change!

OPARC can help:

- *remove barriers to effective District/Division/Lab/Center Operations

- *provide acquisition reform roadshows to improve Partnering and Teaming; Performance Based Contracting; Best value Contracting; Credit card utilization; Metrics development; Risk analysis and management; Customer relations; Integrated Product Team Development, etc.

- *Solidify a "One Door to the Corps" in spreading "best of breed" practices and changing solidly the new concept of full service contracting from an independent District Outlook to a more interdependent Corps-wide corporate focus that will be transparent to our customers

- *set the Corps A-F-I-R-E with a renewed focus on Adaptability, Flexibility, Innovativeness, Responsiveness, and Efficiency/Effectiveness

Highlights from the Corps Contracting Community

By Ruth A. Ijames

Sacramento District completed a successful contracting year by obligating \$350M+ both as new awards and thru task orders and modifications.

LEVEE RESTORATION. As anyone who is watching the national news with any regularity knows, El Nino is forecast to hit the California coast this winter with heavy rains and snowfall. This follows on the heels of record flooding throughout the Sacramento and San Joaquin valleys in January 1997. During the months of September and October we awarded 23 contracts for levee restoration in preparation for the wet season, which is anticipated to be much worse because of El Nino. What was special about these actions was that we were able to partner with the SBA to permit us to offer 14 of them as competitive 8(a) even though the average value of each action was \$1.0M or less, well below the competition threshold. We coordinated early with SBA for quick turnaround of the awards via fax as construction had to begin almost immediately. There were zero delays; the partnership worked very well. This is especially notable since we had to work with three SBA offices. As a result, 14 of 23 contracts were awarded to 8(a) construction firms. The normal turnaround from bid opening to award was three days. We plan to send a letter of appreciation to SBA Central and arrange for presentation of an award to the SBA Region Office manager who provided us so much assistance with planning the levee projects.

CREDIT CARD PROGRAM. We have a very successful credit card program. We publish a quarterly newsletter to all cardholders and certifying officials. In this newsletter we publish "lessons learned" (omitting names/offices, of course), common audit findings, and a Question/Answer section for frequently asked questions. Once a year we have mandatory refresher training for the cardholders which lasts no more than two hours. Many cardholders do not use their cards daily or even weekly. We have found that knowledge not used on a frequent basis is usually lost, so these "reminder" sessions have proven beneficial.

By Maureen Taylor

Ft. Worth District Tremendous success for the Army and Air Force customers through the use of IDIQ Construction/Service Contracts for Installation Support; while an invaluable tool all during the year, these contracts have proven to be especially beneficial at year end.

Shared IDIQ contract usage between Ft. Worth District and various other Corps of Engineer districts, both within and outside of division boundaries. The results were: the ability to serve our customers, provide expeditious execution of actions which were

under tight time constraints, and ultimately even aid in avoiding the "hollow contract" concept.

The Ft. Worth District utilized the Electronic Bid Set process during FY 97 for its entire military construction contract execution program. The district is the leader in this new technology and has been instrumental in providing training and assistance to numerous other Corps districts.

By Nancy Tullis

Far East District

Building for Peace on the Frontiers of Freedom – And with Electronic Bid Sets Yet!

Building for Peace on the Frontiers of Freedom is the motto used by the Far East District Commander. Far East District Headquarters is located in Seoul, Korea, and the District has several Resident and Project Offices throughout the Republic of Korea, including one only a few miles from the 38th Parallel, otherwise known as the DMZ (Demilitarized Zone) separating North and South Korea.

FED is a microcosm of its host nation when it comes to interesting blends of the old with the new, caused by the breakneck economic and technological development of South Korea known as the Miracle on the Han River. In a Korean department store you can find traditional Korean *hanbok* (native costume) next to the latest Paris fashions. On the streets of Seoul, you can see hand-pulled carts next to entries to brand new subway lines. At FED job sites you may occasionally still see bricks carried on a Korean company's workers' backs while the same company is receiving a Request for Proposal via EBS.

EBS at FED? Yes, that's right! During the week of November 3-7, a team of Fort Worth District employees visited FED and conducted intensive training for FED EBS team members. While here, the Fort Worth team also conducted an EBS presentation for 22 Korean construction companies. The result of the one-week training was the first CD-ROM solicitation package for an actual FED project. The Request for Proposal was released on the 14th of November to a group of prequalified Korean construction contractors.

The CD-ROM version of EBS is more appropriate for the FED program at the moment. However, all FED and contractor participants involved in this effort agree that full-blown Internet

Far East Cont.

EBS could greatly improve the solicitation process in this city where contractors' preference to not rely on the local mail requires them to endure another product of the Han River Miracle

– incredible traffic jams that would impress any D.C. or L.A.

resident.

By Bruce D. Okumura

Japan District located in Camp Zama, Kanagawa Prefecture, Japan (about 50 km, or 30 miles, southwest of Tokyo, 14 time zones ahead of Eastern Standard Time). 50 km to Tokyo may sound close; however, a trip into Tokyo can take 2 hours by car and 1½ hours by train from Camp Zama.

The JED Contracting Division provides the district with "one-stop" contracting service including pre-award, award, and post-award activities. We support the largest Host Nation Program in the U.S. Army Corps of Engineers. Although most of our contracting workload supports the Host Nation Program, we have a growing reimbursable program that sustains US Forces and agencies throughout Japan with engineering, construction, environmental and related services.

Our contract work in support of the Host Nation Program makes this office unique within the Corps of Engineers. But what really sets the JED Contracting Division apart is that it is the only full service Army contracting activity in Japan.

By Fances K. Bauer

South Atlantic Division Advance Contracting For Disaster Responses

BPAs (1997)

-BPAs will be used for initial response for debris clearance and emergency power until IDIQ contract(s) can be awarded. BPAs will be used for contracting vehicles to meet ice and water missions.

-BPAs will be prepriced

-Ice and water are subsistence items so no order limit on Calls

-\$100,000 Call limit on other BPAs

-Payment for Calls of \$100,000 or less by Credit Card

-Each district in SAD will establish it's own BPAs and determine the number needed for each commodity/service

IDIQ CONTRACTS

-IDIQ contracts will be established for Debris Management and Emergency Power for the 1997 hurricane season. IDIQ contracts will be established for roofing, ice and water for the 1998 and beyond hurricane season.

SOLICITATION

-Single solicitation will be issued by assigned district for each service providing for award of multiple contracts on an annual basis unless each state is covered by an awarded contract.

-Advertising district will take all actions up to the point of award.

-All districts will make the awards for their assigned State(s).

-Solicitations will be RFP (Best Value) for Debris Management and IFB for Emergency Power. Determination as to RFP vs IFB will be made in 1998 for roofing, ice and water.

-All SAD districts will participate in RFP Source Selection.

-Solicitations will require offers to be held open through 30 November of each year that a solicitation is issued (last day of hurricane season).

-Solicitations will state that offerors will be limited to award of a single contract even though multiple contracts will be awarded (7 CONUS-Alabama, Florida, Georgia, South Carolina, North Carolina, Mississippi and Virginia; 2 OCONUS - Puerto Rico and Virgin Islands).

STAFFORD ACT CONSIDERATIONS

-Location of prime contractor will be an evaluation criteria to increase chance of award going to a firm located in the state for which a contract is awarded.

-Requirement for maximum hiring and subcontracting in specific disaster areas for which Task Orders are issued.

CONTRACTS

-IDIQ contracts will be used as the primary means of contracting for debris management and emergency power; will be the primary contracting means for 1998 and beyond for roofing, ice and water.

-Contracts will have a given state as primary place of performance with option to issue Task Orders for performance anywhere in SAD's AOR.

-Contracts will provide for Task Orders to be issued by any District in SAD's AOR; contracts will be awarded by district located in each state. In case of Mississippi and Virginia, will be awarded by districts whose AOR extends into those states. Responsible districts will coordinate with MVD and NAD.

-Provision for cost-reimbursable, fixed-price for estimated quantity, equipment rental, or any combination thereof Task Orders for debris management; fixed-price Task Orders for emergency power. Types of Task Orders for roofing, ice and water will be determined in FY98.

-Base year with four (4) one-year options for Debris; two (2) one-year options for Emergency Power. Performance periods for roofing, ice and water will be determined in FY98.

-Government will reserve the right to exercise options through 30 November of each year, regardless of when the base year expires.

-Total Order Limit for each contract of \$20M for Base and each Option Year for Debris; \$1M for Base and each Option Year for Emergency Power. Limits for roofing, ice and water contracts will be determined in FY98.

CONVENTIONAL CONTRACTING AFTER A DISASTER

-Would be an option that would be utilized when issues such as pressure from FEMA/State to utilize more contractors, poor

performance, better price/management, etc.

-Would not be utilized without fully coordinating with all concerned.

-Would be done utilizing Simplified Acquisition Procedures, IFB's, RFP's, and/or letter contracts.

FUNDING

-FEMA will provide funding for awards. Awards will be made as need arises and funds are made available. Any contracts not awarded within a given calendar year will be resolicited for the next calendar year. After 1997, plan to issue solicitations so as to be ready to award at start of hurricane season.

-FC&CE funds will be utilized to fund labor of all district personnel involved in these acquisitions.

UPCOMING MISSIONS

-Temporary Housing

-SAD has been tasked to develop a plan to assume the temporary housing mission for FEMA. Apparent tasker is procuring mobile homes and designing and establishing mobile home parks (housing install). CESAS has the lead for this mission area and has established a team to meet with industry to determine proper scope of work for the mobile homes. Plan is to utilize IDIQ contracts for the procurement of trailers with all contracting to be done by CESAS; allow each district to utilize existing A-E IDIQ contracts for site adapt designs for the housing install mission. Construction of parks will be by individual contracts as too many unknowns to fit IDIQ model - emergency contracting procedures will be utilized.

COORDINATION WITH INDUSTRY

-Districts responsible for all mission areas except debris removal are in the process of setting up meetings with industry to determine if scopes of work and proposed contracts need to be reworked to facilitate more timely and cost effective performance.

VIRTUAL CONTRACTING DIVISIONS

-SAD CT'S testing working in each other district's SAACONS and CEFMS database.

-Successful tests done between first test groups.

-Will be used to support affected district during disasters.

-Liaison person established at each district CT.

-Limited (1-3) persons TDY to affected district during initial phase of disaster response (1-3 weeks) to establish work flow to supporting districts.

-Can be expanded for use Corps-wide.

-Should substantially reduce TDY costs for supporting contracting mission during disaster responses.

-Should reduce loss of productivity experienced with TDY personnel as will be working with an already established

team/supervisor.

-Can be used to perform normal contracting workload outside of disasters to accommodate peaks and valleys in workload.

By Bob Gruber

Transatlantic Programs Center Integrated Product Team (IPT) Process

Purpose: To provide specifics on the employment of the Integrated Product Team (IPT) process to provide contract support to U.S. military troops deployed to the Balkans in support of Operation Joint Guard for the PARC Notes.

Facts: To date the Logistics Support Services Team at the Transatlantic Programs Center (TAC) has employed the IPT process twice to provide logistic support services to U.S. military troops deployed to Bosnia, Croatia and Hungary through the LOGCAP and the Operation Joint Guard Sustainment contract With Brown & Root Services Corporation (BRSC), Houston, Texas.

The IPT was employed for the first time at TAC to provide a six month extension of logistic support services under the LOGCAP contract (DACA78-92-C-0066). These services included; base camp operations & maintenance, laundry & food service operations, transportation, equipment maintenance, container handling & shuttle bus services, road repair & maintenance, class III operations (bulk fuel distribution), mail route operations, hazardous waste management, and short duration redeployment services for troops leaving theater. Primarily BRSC provides all logistic support services to the deployed troops. The contract method chosen for LOGCAP is cost plus award fee (CPAF).

The idea to perform an IPT for the six month extension of the LOGCAP contract came from the first AMC Army Roadshow. The contracting officer (Bob Gruber) for the LOGCAP contract was hesitant to employ this process since there had been some adversarial relationships between the customer, United States Army Europe, Deputy Chief of Staff for Logistics (USAREUR DCSLOG), Defense Contract Audit Agency (DCAA), Defense Contract Management Command (DCMC) corporate Administrative Contracting Officer (ACO) team in the past. Since this contract supported contingency operations, it was hard for DCAA and DCMC to depart from conventional contracting procedures, whereby a negotiated contract or modification was required in place prior to services starting. Throughout the term of the LOGCAP contract, modifications were issued through unpriced change orders (UCO's) or undefinitized contract actions (UCA's) that were definitized later within the requirements of Defense Federal Acquisition Regulation Supplement (DFARS). The other problem was the customer not understanding cost reimbursement contracting procedures and trying to apply fixed

price procedures to this contract. It should also be noted the schedule to definitize this action was very tight, considering the use of conventional contracting procedures.

A result of these adversarial relationships and the tight schedule, the IPT process was employed for this extension of services. The team consisted of the principal stakeholders of this contract activity, which were members from the Transatlantic Programs Center (TAC), DCAA, DCMC, USAREUR DCSLOG, and BRSC. The team kicked off the IPT at BRSC's offices in Houston, Texas on 30 October 1996. A charter was prepared depicting the functions, roles and goals of the team. The team was tasked with developing the method by which BRSC would submit its proposal costs through a series of cost drivers. These cost drivers were dependent on headcounts of troops, bed counts, historical data or developed from the ground up. We were told an average of 10,000 troops would require support and that from time to time there would be fluctuations in troop strength, due to rotation of commands, of up to 14,000 troops. From these scenarios the team had to determine the cost drivers (head count or bed count) and whether to use historical data, perform a ground up analysis on work not previously performed, and provide any seasonal factors if applicable. The process continued through 8 November 1996 for the majority of the team with exception of DCAA who remained on site to ensure the cost drivers and other factors were utilized in establishing individual costs. A proposal was received from BRSC on 20 January 1997 and a contract modification, extending the LOGCAP event for an additional six months was awarded to BRSC on 13 February 1997.

The IPT process was an excellent tool to use because it cut normal conventional contracting procedures from 180 days to 106 days. In the conventional contracting process audit reviews are performed after receipt of proposals causing adversarial reviews. The independent government estimate for the six month extension was \$116 Million and the final negotiated estimated cost was \$84,087,742. The IPT process permits auditors to review and provide comment on portions of cost data and proposal format prior to contractor proposal submission. The auditors cannot help the contractor prepare their proposal though. In this particular case, the auditors did not question any costs nor did they find any unsupported costs. The process provides for open communication amongst all team members and empowers them to make decisions without interference at all levels. The IPT brought together a more cost efficient contract modification to extend services in a short period of time. The process also developed a better understanding of contracting procedures to those team members who didn't understand them and relationship with BRSC. The IPT process is matter of choice now since it was first utilized.

The IPT process was utilized a second time to award the Operation Joint Guard Sustainment (OJGS) contract (DACA78-97-D-0001). This is an IDIQ contract that replaced the LOGCAP contract when it expired and provides sustainment services to the troops still deployed to Bosnia, Croatia and Hungary, similar to those provided under LOGCAP. Due to the uncertainties involved in a contingency environment such as this, it became difficult to establish fixed price task orders. To date all task orders issued against the contract have been cost plus award fee. The IPT process was similar to that performed in the six month extension of LOGCAP, except that the services were to cover a one year basic contract period, with two six month options. Since the services were similar to the LOGCAP extension, the IPT was responsible for reviewing the cost drivers and other factors to ensure they were applicable to this contract. The IPT process started on 17 March 1997 and the contract was awarded on 19 May 1997. The process took a total of 63 calendar days to complete. The total negotiated estimated cost for the basic contract year was \$139,215,485 and each six month option was \$69,317,488 and \$64,396,179 respectively.

As stated earlier, the IPT process is a preferred choice amongst the team members. This process has eliminated those adversarial actions that have arisen in the past over conventional contracting.

By Larry Cook

Nashville District "Nashville District is excited about its current involvement in the Dept of Energy's FUSRAP program transition to the Corps. Sporting a willingness to use some innovative contracting methods, Nashville will play an important role in the initial transition. Work currently being done by SAIC under contract to DOE will be picked up by Nashville District under an existing environmental contract the District has with SAIC."

By LTC Nicholas Kolar

TAE Installation Support Contracting--Value Added for the Army

Several innovative contracting initiatives have made Transatlantic Programs Center, Europe (TAE) a resource multiplier and integral partner-in the installation management business in Europe. Customers in Europe increasingly require non-traditional engineering support such as services, privatization, base operations, scoping/partial designs, small construction, utilities, design/build and construction as commercial services. These contracts are awarded in accordance with FAR part 12 procedures unlike traditional construction contracts which are awarded in accordance FAR part 36. Our strength and value-added is the Corps' multi-disciplinary expertise and our

partnership with customers throughout the pre-award/post-award process. We are there from concept scope through final inspection and contract close out. We have aligned for success by remaining customer focused, defining new products, designing "best business processes" and organizing to deliver efficiently. Our customers' requirements continue to mount while their in-house engineering and contracting staffs decline in response to budget reductions. The demand for increased Corps participation in installation management will continue as long as we live the "one team" philosophy embodied in the Chiefs vision and help our customers effectively leverage their limited resources.

Changing Customer Requirements: Serious installation infrastructure and quality of life deficiencies combined with a scarcity of MCA-funds and fierce competition for OMA dollars have forced major restructuring of base operations management throughout the European Theater. DPWs are under constant pressure to reduce their in-house work force and find cost effective alternatives. Outsourcing initiatives such as Total Maintenance Contracts and privatization have lead Contracting Division (TAE-CT) to expand procurement support in non-traditional areas while continuing our traditional design and construction mission. As DPWs and tenants like DODDS, DECA, and MEDCOM seek to fill in-house voids, TAE redirects its expertise to provide customers a fast, flexible toolbox of life-cycle installation engineering management products and services.

Installation Support - Cultural Change: Until 1990, European Division thrived on a large, stable MILCON program. Contracting was geared to traditional construction contracts awarded in accordance with the FAR part 36 procedures with long conception-to-contract-award time frames. MILCON evaporated with the end of the Cold War in 1990 and we were driven to change our mix of engineering services to support the changing requirements of our intensely busy, under-funded, downsized customer. We have had to streamline our bureaucracy, realign our work relationships and change our culture to focus on smaller projects executed within annual OMA appropriations rules and time frames. We have had to learn to think with the urgency of a DPW about plumbing problems in family housing, a principal with broken windows in a grade school, a surgeon with HVAC that needs maintenance in the operating room, a tactical commander without heat in the motor pool. We had to develop contract tools that guarantee execution with rapid response at reasonable cost. Since the fall of the Berlin wall, timely execution of these OMA projects is exactly what customers want. Today, TAE is a customer-focused 340-person district that outsources 90 percent of its workload to provide a wide spectrum of engineering services throughout the European Command area of responsibility.

One Year Funding: One lesson learned early was the need to anticipate the focus of USAREUR's annual budget and prepare to execute the types of projects at the top of the IPL (Integrated Priority List) rapidly with one year money. By the time USAREUR receives and distributes funds less than six months remain in the fiscal year to award contracts. Many awards must be made late in the fourth quarter. This funding paradigm forced us to develop non-traditional contracting instruments. The DPWs all have the same three basic requirements (quality work, fast execution, and reasonable costs). For the first six months of the year, the order of importance is quality first, with reasonable cost and fast execution rated equally second. At the beginning of the fiscal year, the DPWs have six months to develop projects with the luxury of designing for quality and refining existing designs. However, the emphasis shifts dramatically to execution during the last six months of the fiscal year. Quality and cost count, but only if funds are obligated by 30 September.

TAE's Approach to Installation Support

a. Staffing:

(1) Traditional compartmentalized organizations cannot cope with the quick turnaround required on one-year money. To speed the process, we created the Project Execution Teams. These consist of collocated Contract Specialists, Program Analysts, and Project Managers who work shoulder to shoulder in our Project Management and Planning & Environmental Branches. This matrix organization across stovepipes allows contracting personnel to play a role in the planning aspect of all procurements. Attorneys from Office of Counsel and other specialists participate when required. All Contract Specialists work under the administrative control of the Chief, Contracting Division. But day-to-day work is directed by the branch chiefs. This close working relationship produces better solicitation packages with a buy-in from all of the players.

(2) Within Contracting Division, we reorganized the Construction Section as the Construction, Supplies, and Services Section. This team solicits and awards a variety of contracts to support USAREUR communities, DODDS, Medical Command, State Department, DSWA, DECA, AAFES, AFRC and the Air Force for work in Germany, Italy, Turkey, and a number of Central European countries. A number of Total Maintenance Contracts have been awarded to support 29 schools in the DODDS program; four Operation, Maintenance, Engineering Enhancement (OMEE) contracts have been awarded to support the Medical Command hospitals and outlying clinics; and requirements contracts have been awarded for barracks room renovations and complete LAN installations for DODDS.

(3) Installation Support work expanded more rapidly than anticipated and Contracting Division restructured again to keep pace. An Installation Support Section was carved out of the Construction, Supplies, and Services section to provide oversight and administration support for the JOC, DODDS TMCS, and OMEES. This team has reviewed, staffed, and finalized over 500 delivery orders worth over \$40M for JOC alone. It is responsible for more than 30 contracts with a capacity of more than \$91.5M.

(4) While these initiatives improved our efficiency in preparing packages at the district headquarters, we weren't organized to support delivery in the field where our area and resident offices only had capability to administer construction contracts. Our answer was to push contracting support out closer to the customer to provide rapid turnaround on maintenance and service contracts. We have staffed each area office with GS-1 102, DAWIA-certified contract specialists to administer this workload.

b. Innovative Approaches: To facilitate responsive service we have a variety of tools in place including: Best Value, Quick IFBS, JOC, requirements contracts, IDIQ and other specialized contracts so that the most appropriate contracting method can be selected and rapidly implemented by the Contracting Officer.

(1) Best Value RFPS: The Center uses "Best Value" contracting procedures to provide a variety of contracts that give customers fast efficient tools to accomplish work in the ever-changing environment. This process has drastically reduced the number of claims during and after construction while allowing the customer to make a rational decision on which factors it deemed important for the purpose of selecting the successful contractor. Although time consuming in the beginning, Best Value Source Selection has proven, with refinement, to take no longer than a traditional low bid Request for Proposal (RFP) in overall project completion time. For example, the requirement for an Environmental Services Contract with a quick response time in support of Operation Joint Endeavor was handled as a Best Value procurement. The need to place resources on the ground within 24 hours was the driving force in contractor selection. TAE has had several major and numerous minor clean up projects placed against this contract. To date, the contractor response time for the emergency response team has averaged less than 12 hours.

(2) Quick IFBS: To fill the void left when USAREUR DPWs lost much of their in-house design capability, TAE has developed a quick response design team capable of preparing designs for projects ranging from \$ 1 00,000 to \$2 million dollars. This team, composed exclusively of engineers

with DPW experience, is capable of a 30 to 45 day turnaround of designs in enough detail to allow contractors to bid. Our Contracting Division reduced the amount of time required to solicit and award these projects to 45 days. The customer sees construction activity at his site 75 to 90 days after the Center receives his funded requirement. For those projects requiring large quantities of material rather than labor, the Center now awards supply contracts thereby guaranteeing consistency of quality. These items are then provided to the contractor as government furnished (e.g. the center purchased carpet for barracks renovation and provided it to the three contractors engaged in those projects). The level of quality was consistent from barracks room to barracks room -- a major concern of the *USAREUR Deputy Commanding General*.

(3) Being Prepared: One year money forces the Center to be ready to execute when year end windfall funds become available. Pre-placed requirements contracts, JOC contracts, total maintenance contracts and quick turn around IFBs and RFPs are our lifeline. It is important that we find a mechanism to allow us to be responsive to predictable customer needs prior to receiving the call to execute. Contracting Division has been able to place requirements contracts covering identifiable repetitive projects. An example is the USAREUR Commander's Facilities Improvement Program (FIP) requirements contract. This contract provides all the resources needed to upgrade both barracks rooms and common areas of buildings identified in Phase I of this program at a cost 40% lower than comparable JOC delivery orders. As a result, the Center was given the requirements not only for Phase I but the follow-on Phase II and the current Phase III renovations.

4. Issues: USACE provides one-stop funds for the assessment of a customer's engineering/ technical problems. This funding allows Engineers 16 man hours to give advice to a customer concerning engineering problems at his installation. A similar funding program for contracting initiatives would pay large dividends. For example, the Khobar Towers terrorist bombing precipitated a frenzy of activity focused on increased installation security. We recognize the need to have in place tools to allow the DPWs to shield their installations from possible terrorist attacks. A small amount of up-front funding could prepare a requirements or IDIQ contract ready on the shelf when construction funds become available to the DPWS. As another example, the drawdown of forces and the reduction of DPW staffs have produced a market opportunity for between occupancy maintenance of family housing, and general maintenance of aging pre-World War II Facilities. The cost of preparing a contract package up to the point of award to support these initiatives is in the \$30,000 to \$50,000 range. We are experiencing many missed opportunities because of the unavailability of a suitable funding vehicle to cover the "be

prepared" portion of our mission.

5. Conclusion: The changes TAE has made to thrive in an era of declining military resources are relevant to CONUS Districts and essential if the Corps is to remain at the forefront of military engineering as DOD presses for further privatization of base operations. To encourage reshaping of the Corps' culture and incentive efforts to revolutionize effectiveness in installation support contracting, TAE recommends that HQ USACE undertake the following--

a. Authorize commanders of districts and operating divisions to use some percentage (1,2 or 3%) of their operating budget for rapid response contracting initiatives. This funding would allow districts to prudently plan and prepare to execute those missions based on the commander's business decisions. The return on investments could be tracked with a set of metrics and routinely briefed as a CMR issue. This funding is an investment in Corps relevance to emerging Army and national needs. We must invest to develop best business practices and boldly reengineer our processes, just as major corporations invest to become masters of their industry.

b. Develop a USACE sponsored program or competition that funds the best contracting innovations and create an environment that rewards districts for thinking out of the box by making it easy to implement the good ideas that are out there.

Good News Stories

NORTHWESTERN DIVISION

By James J. Rich, Ph.D.

Kansas City District BRAC 95 represents the U.S. Army's current largest BRAC action and Kansas City District's largest military construction project for FY 1997-98. The contract marks several "firsts" for the district. The contract calls for completion of five separate projects under one contract to meet the relocation of the U.S. Army Military Police and the Chemical Schools from Ft. McClelland, Alabama to Ft. Leonard Wood, Missouri. Schedule was mission critical to this project as the base closing schedules are mandated by Congress and receiving installations must be ready to accept incoming functions or the Army faces significant delay costs.

Instead of issuing over 3000 drawings and eight volumes of specifications, a decision was made to utilize an electronic bid set model (EBS) with the entire specification being placed on CD-ROM, (compact disc-read only memory). Savings in printing, collating, reproducing and mailing costs were estimated to be in the thousands of dollars.

Since the project was fast-tracked as to the design and need to award the construction by May 1997, the project was issued in two phases. Phase I consists of 65% to 90% design documents and required the contractors to submit information on Past Performance for technical evaluation. Phase II was then issued with 100% plans and specs, and required a detailed Schedule Analysis, as well as Management Capabilities, Quality Control and Subcontracting and Price from those offerors who submitted a proposal under Phase I.

Formal source selection procedures incorporating best value guidelines were used in this procurement. Members of the source selection teams were composed of highly qualified members of the Army and Corps of Engineers, at the District, Division and Headquarters level. The final contract was awarded in the total amount of \$160,099,750 with a completion schedule that exceeded the initial requirement.

To ensure that small and small disadvantaged business firms were represented in the BRAC 95 solution, contracting opportunities for the 8(a) program were identified and three separate break-out contracts were awarded in FY97 to 8(a) firms, in the amounts of \$730,743, \$2,387,000 and \$4,555,200. Additional BRAC related 8(a) work in FY98 will include a road construction contract with an estimated value of \$1.2 million.

By Kent R. Paul

Seattle District Contracting instituted a program in 1995 to gain immediate and *if* specific feedback on how well their service was viewed by their customers. Accordingly, at the completion of each action (from the smallest small purchase to the largest contract award) each customer is requested to rate our service in several areas. Since inception several thousand survey requests have been sent and over \$2,000 have been returned. Their results are follows:

Customer kept informed	96%	Yes
Project on time	95%	Yes
Cost within budget	99%	Yes
Timely award	97%	Yes
Attitude	67%	Excellent
	32%	Good
	1%	Fair/Poor
Flexibility	61%	Excellent
	37%	Good
	1%	Fair/Poor
Knowledge/Ability	62%	Excellent
	36%	Good
	2%	Fair/Poor

Overall Rating of Service	67%	Excellent
	27%	Good
	5%	Satisfactory
	1%	Poor

Raters are also requested to provide narrative feedback on service areas they consider was accomplished well and those that could be improved. Results are immediately fed back to supervisors and the contracting employee responsible for the action. Follow up action is taken as necessary. The result of this initiative and several others have been marked by a steep rise in overall customer satisfaction over earlier attempts to gauge Contracting Division's effectiveness when rating were done on a programmatic rather than action by action basis.

By George R. Wight

Portland District Awarded a \$28 million construction contract that was put out on CD, our first attempt at electronic bid and it went rather smoothly. The CD contained 800 pages of specifications and 1000 pages of information-nation drawings saving resources and time.

The Portland District Corps of Engineers has been selected to receive the 1997 Agency of the Year Award from the U.S. Small Business Administration, Portland District Office. This award is in recognition of outstanding commitment and support of SBA's Section 8(a) Program and the disadvantaged business community. The award is presented annually to the agency that provides the most awards made under the 8(a) Program

Portland District Cont.

for the past fiscal year. In fiscal year 1997, the Corps of Engineers, Portland District, offered 16 projects to the SBA in support of 8 different 8(a) firms. As a result of these offers, 14 contracts and 46 modifications were awarded for a total dollar volume of \$4,915,823. In the past five fiscal years the Portland District awarded 41 contracts and 139 modifications for a total of \$17,236,637 in 8(a) contracting activity. John L. Gilman, SBA District Director said "This record reflects an outstanding commitment to the objectives of the 8(a) Program and greatly facilitates our efforts to develop the disadvantaged firms participating in this program."

By Pam Taylor

Ordnance Program Division

IMPAC has an impact on business in Saudi Arabia

The Kingdom of Saudi Arabia exists as one of the largest countries in the Middle East. The climate is hot. Islam is the traditional religion. Arabic is the national language. And the U.S. government's credit card is used to pay for goods and services.

How did this happen? With a lot of hard work.

The U. S. government credit card evolved in the United States as an idea to save time and dollars in the procurement process. It allowed cardholders to purchase goods and services for the government without the usual mountains of paperwork. The use of the credit card is skyrocketing every day with the potential for its use to go even higher.

In the early years, American vendors had to be educated about the International Merchant Purchase Authorization Card, called IMPAC. Vendors had to be convinced that the government, first of all, did have a credit card. Then, the contracting personnel had to convince the vendor that the card was "good" and that they would be paid faster than ever before. This was not hard to accomplish since, in my experience, payment time was sometimes as much as 90 days. The vendors had to be convinced that they would be paid even without the signature of the authorized purchaser and two forms of identification.

As a contract specialist when the card was first put in use, a businessman asked me if I thought it would be advisable for him to begin accepting the card. My answer was simple. If he did not take the credit card, he was eliminating two sources of income - the U.S. Army and the U.S. Air Force.

He immediately implemented a campaign advertising his acceptance of the Government credit card. With a great deal of discussion, a National Performance Review, and a whole lot of trust, the use of the credit card is growing by millions of dollars each year.

Since the credit card has been accepted in the United States, why not take it to the rest of the world? Simple, right? Other countries take advantage of credit card purchases. It's easy and fast. England, France and Germany accept the U.S. government credit card. What about the Middle East?

In May 1997, the Ordnance Program Division began using IMPAC extensively. The acceptance by local vendors took a different tact. They had to be educated about the purpose of a credit card. The term "buying on credit" is not in the vocabulary of the Saudi Arabian vendors. They understood the completion of a business deal with a handshake, not with a 3-inch by 2-inch piece of plastic. So the education process began.

At OPD, we decided to take the path of least resistance. We selected potential IMPAC vendors from those establishments who were already doing business with the government through purchase orders, contracts or Blanket Purchase Agreements. Since these vendors were already knowledgeable about Western business practices, they seemed to be the most likely candidates to accept a government credit card with the least amount of

convincing. Some vendors actually had heard of credit cards and were willing to accept one from the U.S. government. The first step was complete.

The next hurdle was the banking system in the Kingdom. The Saudi Arabian banks have their own credit card. The vendors wondered why OPD did not use that card. They were also very reluctant to approve purchases made with the U.S. government card issued from a U.S. bank. We contacted the folks at Rocky Mountain Bank System for the solution to this problem. They acted as intermediaries and cleared the way for the local banks to process the card purchases.

In Saudi Arabia, the IMPAC cardholders do most of the procurement in person. The vendor calls for credit card approval with all the items sitting on the counter. If the phone lines were busy, the card purchase is declined. The cardholder is then asked to move out of line and wait until the clerk has time to call for an approval. It can be several minutes before the clerk makes a second call. Another busy signal began the process all over. This has been a lesson in persistence and patience for the cardholders who have learned not to be embarrassed if their card is declined.

The education did not stop with the vendors or the banks. It was necessary to educate the contracting professionals on the use of the credit card. As with every cardholder, approving official, agency program coordinator and paying officials, we had a minimum of four hours training on the purpose and use of the card. I had just arrived from Aberdeen Proving Ground where the credit card was used 90 percent of the time for commercial items. I carried with me a copy of the training provided there. From that, I structured the OPD training.

There were some hurdles to overcome with our own procurement employees. The training helped here. We discussed the requirement to use the credit card, the opportunity for abuse, and the amount of patience required waiting for the purchase approval during the training sessions.

OPD is now more than six months into the use of the credit card. We finished the last quarter at the 50 percent mark. I am delighted with the progress. Our goal is to raise that to 90 percent. For incentive, I have offered a pizza party when we reach 75 percent. I wonder if Pizza Hut takes a credit card? My personal one, of course.

(Pam Taylor has been a contract specialist with the Ordnance Program Division in Saudi Arabia since May 1997. She previously worked at the Tank Automotive Command, Warren, Mi., and Aberdeen Proving Ground, Md.)

Celebrating Partnership--A New Culture in the Corps

Corps-Arsenal Partnership Covers Public Works Functions

An Excerpt from the Rock Island ARSENAL "TARGET"

Rock Island Arsenal and the Rock Island District of the U.S. Army Corps of Engineers have joined in a partnership that is the first, but probably not the last, of its kind in the Army.

Under the partnership, the Rock Island District will take over the day-to-day operation of most of the functions now performed by RIA's Directorate of Public Works. The Arsenal commander will retain responsibility for planning, programming, budgeting, funding and setting priorities for public works requirements on the installation.

The partnership officially took effect on Oct. 1 and will continue on a test basis through fiscal years 1998 and 1999. At the conclusion of the test, the move of PW functions to the Corps could become permanent.

The success or failure of the test will be tracked very closely by the Department of the Army, which is considering the idea of turning public works functions at all Army installations over to the Corps of Engineers.

That idea has its practical roots in the reality of downsizing and its theoretical roots in the Force XXI modernization initiative, which calls for reengineering the support base. The Army Materiel Command was given the lead on testing the idea; AMC then chose the Arsenal as a test site.

While two other installations are testing public works partnerships on a limited basis, RIA can claim to be the only installation testing a full partnership with the Corps.

In remarks delivered at a ceremony marking the partnership, Rock Island District commander Col. James Mudd described it as a "brave effort" that would require a lot of trust and cooperation on both sides. "I believe this partnership has a really good chance to succeed," Col. Mudd said, "because of the hard work and dedicated effort of the people involved in it."

RIA commander Col. Steven Roop admitted that he was skeptical about the partnership at first but agreed to it when he realized its implications for the future of the Arsenal and the Army. "This is our chance to be part of setting a new policy, rather than reacting to a policy imposed on us," Col. Roop remarked.

Dan Holmes of the Rock Island District, who is serving as the district's primary liaison with the Arsenal, said that the partnership shared similarities with the consolidation efforts that led to the formation of organizations such as the Civilian Personnel Operations Center and the Defense Finance and Accounting Service.

"Unlike CPOC and DFAS, which are new organizations, the Corps was already here," Mr. Holmes said. "But this partnership allows us to consolidate certain engineering functions into one organization, with the goal of achieving efficiencies and improving services."

According to Mr. Holmes, the Rock Island District performs nearly all of the functions that are performed by the Public Works Directorate. These functions include management, contract oversight and engineering support in areas, such as the construction, renovation and repair of buildings, roads, grounds and other real property assets; utilities; snow removal; environmental compliance; historic preservation; janitorial services; and pest control. "We already do all those things," Mr. Holmes said, "and now we will do them at the Arsenal as well as at other sites in the district." Mr. Holmes stressed that Arsenal was not ceding control of public works and would still make management decisions and set priorities in the PW arena.

"In general terms, the Arsenal commander will decide what needs to be done, will set priorities on when it should be done, and will provide the necessary funding," Mr. Holmes said. "The Corps will then have the functional responsibility of carrying out those decisions."

At the time the partnership was formed, the Directorate of Public Works had about 70 employees on board. Nearly 90 percent of them have been detailed to the Rock Island District, where they will work in a separate project office under the district's Operations Division.

The other former PW employees will be assigned to a public works cell within the proposed Base Operations Directorate, where they will carry out the management and oversight functions retained by RIA.

No employees were displaced from their jobs as a result of the partnership. In fact, as former PW director John Ruble pointed out, the vast majority of detailed employees are still performing the same jobs they did before, are still at their old desks on the first floor of Bldg. 102, and still have the same telephone numbers and e-mail addresses.

"We wanted to complete the transition with a minimum of disruption," Mr. Ruble said, "and we wanted to make it

transparent to our customers." He noted that procedures for calling in work orders and reporting problems with services have not changed, and that messages would continue to be sent by the Arsenal's public works staff informing employees of bridge closures, planned power and water outages, and other items of interest.

During and after the test, audits will be conducted to determine whether or not the partnership is generating the cost savings which have been projected. Mr. Holmes said that the results of the audits would be read with interest at the AMC and DA levels and would be crucial in determining the future of the partnership.

But Mr. Holmes added that the partnership's ultimate test would come in how it is received by customers. "If the people at the Arsenal are happy with the services they receive," he concluded, "then we'll know that we've succeeded."

CVI-A New Way of Improving Quality of Life for Soldiers-The Corps Leads the Way

DATELINE Omaha -- Headlines reading "Army Housing Inventory is Disrepair", "D ID Estimates 30 Billion Needed to Revitalize Housing" and "Housing Problem needs 20 years to solve," continue to degrade the quality of life for our soldiers. However, recently enacted legislation allows the Corps of Engineers to solve this problem. The Capital Venture Initiative (CVI) legislation provides authorities for the Federal Government to work in commercial partnerships with private sector housing developers and managers. The main premise of the legislation is; to gain the majority of redevelopment and construction capital investment from the private sector; get out of the Housing Management and Construction business entirely and improve the quality of life for soldiers and their families. Further, it provides certain incentives that protect and enhance private sector capital while allowing each project to remain budget neutral. The incentives provided in the CVI legislation range from, authority to enter into limited partnerships to providing direct loans to contractors.

The Omaha District is pioneering this effort for the Corps of Engineers by soliciting for, selecting and awarding this first of its kind contract for Forces Command (FORSCOM) at Fort Carson, Colorado. The Omaha District CVI Team, Lead by Mr. Steve Hill (CENWO-PPM) and Major Scott Campbell (CENWO-CT), have successfully navigated a myriad of complex issues from Real Estate Jurisdiction to development of a Government backed Loan Guaranty. The Omaha model uses a 50 year service contract with a 25 year option, a real estate lease for the land use and several other real estate documents to transfer ownership of

existing housing units to the selected contractor.

The future prospects for this program are virtually unlimited as FORSCOM alone has an additional 15 installation slated for similar work, each of which will look to local Corps District for support. Moreover, the CVI initiative assists in fulfilling Secretary of Defense Cohen's requirement to have all Military Family Housing privatized by the end of FY05. Currently, the Corps is considered to be the Army's Agent for developing and executing these programs at each installation.

The CVI program is coming to an installation within your district. I encourage all Contracting, Real Estate, Legal and Program Management personnel to review the Omaha Model for CVI and prepare for your upcoming opportunity. The Omaha Solicitation and relevant documents are labeled on the Omaha District, Contracting Division Website, or contact Major Scott Campbell, Chief of Contracting at COM (402) 221-4100 for additional information.

What's New on the Career Front

Engineering And Support Center, Huntsville **The Corps Has It's Own Defense Acquisition University (DAU) Registrar**

Her name is Jean Neill and she can be reached at 205-895-7423. Jean is assigned to the USACE Professional Development Support Center in Huntsville, AL. She is the full-time Registrar assigned to assist the Corps of Engineers Acquisition Workforce in obtaining DAU mandatory training and works closely with all local Training Coordinators and the PARC office.

Jean has done an outstanding job securing quotas in required courses and making Corps employees aware of training opportunities. She follows through with all the details such as tracking quotas, reviewing and processing the training requests, assisting with cancellations and substitutions, and updating the Army Training Requirements Reporting System database. In addition to serving as the Registrar, she also serves as the liaison for the Corps with the U.S. Army Development and Acquisition Information systems Activity, the quota and money management organization. This gives her the opportunity to assist in filling Army training allocations when vacancies occur by offering more training opportunities to the Corps.

Spotlight on USACE Acquisition Workforce

Kansas City District - CPT. Matt Riordan, Deputy Chief of Contracting, recently nominated for the Douglas McArthur Award, will receive the award from the Chief of Staff of the Army on 14 May at the Pentagon (1030 hours). CPT Riordan is the first winner USACE has had under the new format for the award.

Nominations for the Fiscal Year 1997 Secretary of the Army Award for Excellence in Contracting

For the team awards there are two outstanding teams at our Huntsville Center, the Energy and Medical Acquisition Teams.

For the civilian outstanding Contracting Officer award there were two nominations; Ms. Ruth Anne Ijames from Sacramento and Ms. Cheryl Kunze from the Norfolk District.

Department of Defense Acquisition Workforce, Personnel Demonstration Project

By Teresa Wright-Johnson

As part of the FY 96 DoD Authorization Act, the Department of Defense was given the authority, with approval of the Office of Personnel management, to conduct a personnel demonstration project (Demo for the acquisition workforce. This authority is a critical piece of the larger Acquisition Reform effort. The objective of this Demo is to further enhance the quality, professionalism, and management of the DoD acquisition workforce through improvements of the Human Resources management system.

In September 1996, the Secretary of Defense delegated the authority to direct this program to the Under Secretary of Defense for Acquisition and Technology in coordination with the Under Secretary of Defense for Personnel and Readiness. A Process Action Team (PAT) was created to develop the Demonstration Program Plan. Several broad areas have been addressed such as, broad banding, simplified classification system, contribution-based compensation and appraisal system, al skills training, workforce shaping and sabbaticals.

Last fall a decision was made by the Chief of Engineers to play in the demo project tentatively. However, participation is limited to the 1100 series only. The Chief also established a Task Force to explore the feasibility of USACE's participation. The task force met on 10-11 February 1998. The two main objectives of the Task Force were to determine the potential benefit to USACE for participation by the acquisition workforce in the proposed demo; and to analyze field comments, address all issues, and formulate a recommendation for participation/non-participation. The Task Force was comprised of multi-discipline representatives from the PARC office, Human Resources, Military Program, South Atlantic Division, Lakes and Rivers Division, Southwestern Division and Mississippi Valley Division.

The results of the Task Force recommendations were briefed to the PARC and a follow-up briefing will be provided to the Chief before his final decision is rendered. Further information is forthcoming.

What Industry Wants the Corps to Know

Quotable Quotes: *The Ultimate Value of the Procurement to the Government does not Justify the proposed cost.

* Performance and cost should not be equal - Spell out the priorities, and the hard decisions where prime contractors should put extra efforts.

The PARC began an "Open door" policy for large and small businesses to visit OPARC--to hear on a personal basis how the Corps is strategically posturing itself in Contracting; to provide their perspective on their perception of how business is Conducted in the Corps; to highlight existence or political impediments to their participation in Corps Contracting procedures that will improve their profitability, quality in performance and ensure their Continuity of Purpose.

- ▶ Industry is concerned that Government estimates are understated, especially in the world of Dredging. Does the estimate reflect their market value to include equipment, loss of disposal areas in critical reaches, harbor and increased Mobilization Costs in traveling distances for a job.
- ▶ The dredging Contracting, what are possible best value discriminators, other than price and past performances?
- ▶ Does the Government consider that market driven, job opportunities and contractor availability have critical impacts on costs?

- ▶ Since the dredging industry is such a small specified base, how can we improve woman-owned participation in Corps Contracting? Are Pilot programs valuable to validate capability and improve participation?
- ▶ Ideas on how to help balance the need for competitiveness and plant utilization.
- ▶ What is an effective industry/Government information dialogue mechanism?
- ▶ Prioritization in peak demand periods: How is it done? Who does it?
- ▶ Need a definition of "Full Project condition" (Dredging)
- ▶ IDIQ Contracts have advantages and disadvantages but good judgement should be exercised in their use.

Corps-wide Initiatives

Emergency Operations

By Bill Irwin

Readiness 2000

When disasters strike, the U.S. Army Corps of Engineers must begin its response within hours by providing critical life support assistance (i.e., water, ice, emergency power, road clearance, etc.). The Corps also aids in recovery by assisting in the restoration of critical infrastructure and services as soon as possible (i.e., temporary housing, debris removal, etc.). During response and recovery, the Corps sets aside traditional deliberate contracting methods and implements emergency contracting procedures. The Contracting components of our response and recovery teams are essential to the successful and timely execution of our missions for the nation.

As with our Contracting partners, Emergency Managers responsible for planning and coordinating the Corps response are being asked to take on a larger work load in an environment of declining resources. Given this challenge, the Director of Civil Works (DCW) created the Readiness Council of Colonels to recommend a more efficient and effective command readiness program. The adopted recommendations of the Council are an initiative known as "Readiness 2000".

Under Readiness 2000, Readiness and Contracting team members will be working on improving areas of shared interests, such as: training and doctrine in Emergency Contracting procedures, establishment of pre-positioned IDIQ contracts for supplies and services, and preparation of a ready-roster of trained contracting personnel for deployment in emergency events. Other components of the Readiness 2000 initiative include:

Threat/History-Based Resource Allocation: With resources declining, it is essential that these resources are targeted to the correct locations. Beginning in FY99, emergency management offices will be restructured and staffed based on disaster threat and history (primarily floods, hurricanes and earthquakes).

Centralized All-Hazards Training, Exercise, and Evaluation and Corrective Action (TEECA) Program: Readiness 2000 will place a greater emphasis on TEECA activities that can save valuable resources and prepare the Corps for future disasters. The Earthquake Preparedness Center of Expertise, located at the San Francisco District, will be redirected to manage and execute the Readiness TEECA program.

Planning and Response Team(s) (PRT): Currently, each District plans for the full array of disaster missions (ice, water, debris, housing, emergency power, etc.). Under Readiness 2000, Divisions will assign each district with the lead role for one or two missions, (for example, one district may be assigned the temporary housing mission, another the ice mission, etc.). Each District will put together a team (PRT) that will plan, train and gain experience for their assigned mission. If a disaster strikes, this trained/experienced team will be available to deploy to disasters anywhere in the U.S.

Deployable Tactical Operating Systems (DTOS): When a disaster occurs, working space near the disaster area is a priority. Three DTOS systems will be developed to provide USACE with mobile working space and reliable communications at the disaster site, within 24 hours of an event.

Response Support Templates and National Database: With the implementation of Readiness 2000, each District will have a Response Support Template consisting of a standby cadre of personnel trained and ready to respond to local, regional or national disasters. A database system is being developed to manage

and track disaster personnel and teams.

The Corps cannot succeed in meeting our responsibilities for response to and recovery from disasters without strong and effective Contracting support. While both Readiness and Contracting face challenges of an increasing workload and declining resources, innovative approaches such as Readiness 2000 and the restructuring initiatives within the Contracting Community will position the Corps for success. The Readiness team looks forward to working with our colleagues in Contracting as we both restructure our programs to best meet national needs.

Conferences/Training

Upcomings

- * NCMA World Congress' 98, World-Class Education and Training, (Angela Billups, POC)
Huntsville, Alabama; March 29 - April 1, 1998
- * American Project Management Forum #6, (Tony Cochran, POC)
Georgetown Conference Center, Washington, DC; March 26, 1998
- * Annual Worldwide Area/Resident Engineering & Contracting Conference, (LTC Moyer, POC)
May 19-21 1998 in Dallas, Texas
- * Federal Dollar\$ and Sense for Women-Owned Business, Savannah District, SADBU; March 10, 1998

Available spaces in Prospect Courses

By Sherry M. Whitaker

1. Spaces are available in the following courses:
 - a. Hist Structures I, session 98-01, 16-20 Mar 98, Seattle, WA
 - b. Neg Const Cont Mods, 98-03, 16-20 Mar 98, Seattle, WA
 - c. RE Appraisal/Leasing, 98-01, 16-20 Mar 98, San Antonio, TX
 - d. Visitor Assist Mgt & Pol, 98-02, 18-20 Mar 98, Sacramento, CA
 - e. Visitor Assist NRM, 98-02, 16-20 Mar 98, Sacramento, CA
 - f. A-E Contracting, 98-05, 23-27 Mar 98, Decatur, GA

g. Civil Works Orientation, 98-01, 23-27 Mar 98, Huntsville, AL

h. Fire Protection, 93-01, 23-27 Mar 98, Huntsville, AL

i. Human Resour Mgt III, 98-05, 23-27 Mar 98, Broken Arrow, AL

j. Soil Structure Interact, 98-01, 23-27 Mar 98, Vicksburg, MS

2. Spaces may be received by forwarding a DD Form 1556 to CE Registrar Division at 202-895-7469 (fax no.)

Interesting USACE Publications

Efficiency Review of USACE Contracting Division, Nov 1988

Best Value Source Selection Guide to Best Procedures,
April 1997

Contact: Bill Brewer, Transatlantic Programs Center

USACERL - Guide for Processing Simplified Acquisitions,
August 1997

Contact: Wayne Kurokawa or Patricia A. Davis

USACERL - Contracts office Contract Administration
Procedures, July 1, 1996

USACERL - Requisitioner's Guide, August 1997

USACERL - Contracts office Services Assessment Surveys

USACERL - Modifications Checklist, Contract Checklist
(500K & over) Contract checklist (< 500 K) Checklist for
Delivery Orders BAA Checklists

Contact: Wayne Kurokawa

USACE - Professional Development Support Center,
Huntsville, Cost Reimbursement Construction Contracts
(CRCC), Guide FY98

USACE - Construction Contract Administration (CCA)

DAR COUNCIL HIGHLIGHTS
By Esther Morse, SARDA

The purpose of this report is to provide "heads-up" information on significant FAR and DFARS cases being resolved by the DAR, CAAC and FAR Councils. Please feel free to follow up on publication of specific cases by visiting the Federal Register web site: www.access.gpo.gov/su_docs/aces140.html. For a good synopsis of items appearing in specific Federal Acquisition Circulars (FACS) feel free to access the OGC web site: www.access.gpo.gov/su_docs/index.html. If you have questions, please do not hesitate to contact Esther Morse via e-mail morsesee@sarda.army.mil.

1. FAR Case 97-304, Electronic Commerce in Federal Procurement. Draft proposed rule implements Section 850 of the FY98 Defense Authorization Act (Public Law 105-85). It eliminates the preference for electronic commerce within federal agencies to be conducted exclusively on the FACNET computer architecture. Section 850 also states that federal procurement systems that employ electronic commerce shall apply nationally and internationally recognized standards that broaden interoperability and eases the electronic interchange of information. Therefore the proposed allows any number of combinations of software and hardware to be used to conduct electronic commerce, provided that the statutory requirement for "universal user access through a single, Governmentwide point of entry" is met.

2. FAR Case 97-306, Contract Bundling. Draft proposed rule implements Sections 411-417 of the Small Business Reauthorization Act of 1997. The statute defines a "bundled contract" as a contract that is entered into to meet requirements that are consolidated in a bundling of contract requirements. The proposed rule provides policies and procedures governing the execution of bundled contracts.

3. FAR Case 97-003, Federal Tax Reporting requirements. Draft interim rule clarifies requirements for reporting of contract and payment information to the Internal Revenue Service,

4. FAR Case 97-015, Alternate Dispute Resolution. Draft final rule implements Administrative Dispute Resolution Act of 1996, revising the protest, disputes and appeals rules in Part 33 to provide for alternative dispute resolution (procedures voluntarily used to resolve issues in controversy without the need for litigation).

5. FAR Case 97-042, Limits on Fees for CPIF and CPAF Contracts. Final rule clarifies statutory limits on profit and fee in Part 16, removing the cap on fees applied to CPIF contracts.

6. DFARS Case 97-DO39, Contract Distribution to DFAS Accounting Offices. Final rule updates requirements in Part 204 for contract distribution to reflect distribution to the DFAS paying and accounting offices.

7. DFARS Case 97-DO20, Employment Prohibition of Persons Convicted of Fraud. Final rule modifies Part 203 and the clause to provide the flexibility for agencies to prohibit defense-related contract felons from working on defense contracts beyond the five year minimum provided for in 10 USC 2408.

8. DFARS Case 97-DOOS, Central Contractor Registration (CCR). Final rule requires contractors to be registered in the CCR database prior to award of a contract resulting from a solicitation issued after March 31, 1998.

9. DFARS Case 98-DO07, Reform of Affirmative Action in Federal Government Procurement. Draft interim rule Amends the FAR concerning programs for small disadvantaged business (SDB) concerns. The amendments are designed to ensure compliance with the constitutional standards established by the Supreme Court in the Adarand Constructors, Inc. versus Pena case.

Information Items

1. YEAR 2000 COMPLIANCE: The Director of Defense procurement is again receiving complaints from industry about buying activities inserting warranty clauses and, in some cases, certifications regarding Year 2000 compliance. A reminder that statute (Section 29 - 41 USC 425) prohibits the use of nonstandard contract clauses and certifications that are not statutorily based.

2. NEXT FAC: Federal Acquisition Circular (FAC) 9704 was published February 23, 1994. The cases contained are provided at the OGC web site furnished in the opening paragraph of this report.

3. NEXT DAC: The anticipated publication date of Defense Acquisition Circular (DAC) 91-13 is the week of March 2, 1998. items contained include: Approval of Nonstatutory Certification Requirements (DFARS Case 97-D301); Contract Action Reporting (DFARS Case 97-DO13) ; Data Universal Numbering System (DUNS) Number (DFARS Case 97D019); Single Process Initiative (DFARS Case 97D014); Truth in Negotiations and Related Changes (DFARS Case 95-D708); Multiyear Contracting and Other Miscellaneous Provisions (DFARS Case 95D703); Qualified Nonprofit Agencies for the Blind or Severely Disabled (DFARS Case 97-D310); Pilot Mentor-Protégé Program (DFARS Case 97-D322); Recovered Material Certification (DFARS Case 97-D031) ; Buy American Act Exception for Information Technology Products (DFARS Case 97-DO22); Duty-Free Entry (DFARS Case 96-DO20); Trade Agreements Threshold (DFARS Case 97-DO40); Application of Berry Amendment (DFARS Case 96-D333); Contingent Fees-Foreign Military Sales (DFARS Case 96-DO21); Subcontracting Plans-Indian Incentives (DFARS Case 97-D309); Cost Principles (DFARS Case 95-D714); Allowability of Costs for Restructuring Bonuses (DFARS Case 97-D312); Cost Reimbursement for Indirect Costs (DFARS Case 96-D303) ; Finance (I) (DFARS Case 95-D710); Earned Value Management Systems (DFARS Case 96-DO24); Research and Development Definitions (DFARS Case 97-DO21); Report of 10-Year Term Contracts (DFARS Case 97-D303); Construction in Foreign Countries (DFARS Case 97-D307); Architect-Engineer Selection Process (DFARS Case 97-DO15) ; Overseas Architect-Engineer Services (DFARS 97-DO34); Uncompensated Overtime (DFARS Case 97-DO37); Telecommunications Services (DFARS 97-D305); Certification of Requests for Equitable Adjustment (DFARS Case 97-D302); Designation of Hong Kong (DFARS Case 97-DO23); Specialty Metals-Agreements with Qualifying Countries (DFARS Case 97-DO07); and Reporting of Contract Performance Outside the United States (DFARS Case 97-DO29).

4. DFARS 215: The DAR Council is in the process of analyzing public comments submitted in response to the proposed rule on DFARS 215. We expect to finalize the rule at the March 4 DAR Council meeting and publication shortly thereafter.

5. OFPP ADMINISTRATOR: Ms. Dee Lee, current NASA Administrator, has been nominated to replace Dr. Steven Kelman as the OFPP Administrator.

ARMY PROCUREMENT POLICY ALERT BULLETIN, 98-004

The following documents contain information of importance to the acquisition community and are provided for your information and



any necessary implementation in advance of formal publication of a Federal Acquisition circular (FAC) or Defense Acquisition Circular.

1. DDP Memorandum, Subject: Calss Deviation--Equal Employment Opportunity, DAR Tracking Number: 98-o0002, dated February 11, 1998.
2. DDP Memorandum, Subject: Waiver of Domestic Source restrictions, D.L. 98-001, February 4, 1998, DFARS Case 97-D321.
3. DDP Memorandum, Subject: Warranties in Weapon System Acquisitions, D.L. 98-002, February 6, 1998, DFARS Case 97-D326.
4. DDP Memorandum, Subject: Restructuring Costs, D.L. 98-003, February 13, 1998, DFARS Case 97-D313.

This bulletin is issued by the Office of the Deputy Assistant Secretary of the Army (Procurement). Comments or questions should be referred to Headquarters, Department of the Army, ATTN: SARD-PP, Skyline 6, Suite 916, 5109 Leesburg Pike, Falls Church, VA 22041-3201.

Telephone: (703) 681-1042/DSN 761-1042 FAX: (703) 681-7580;
E-mail Betty Wucher: wucherb@sarda.army.mil

"PARCing" Lot Questions/Answers

Send us your questions that are not answered in the "black and white" of our regulations and statutes. Obtain the headquarters position on potential ambiguities and push us "against the wall" to lead and increase avenues of change through acquisition reform initiatives. Each question submitted during a month will be showcased in the next subsequent issue of PARC Notes. All "PARCing" Lot questions received by the 15th of any month will be published in the following month. The "PARCing" Lot has short term accommodations only--no long term "*parcing*", so get those questions that need to be researched at any level in to us. See Some Examples below:

1. Should 800 series ACO authority be extended from construction to include service contracts?

2. Will IDIQ Contracts better suit the uncertainties in dredging contracting?
3. Must incremental funding in a contract ensure full funding at the time of award? How must the contractor's proposal spending plan match with the Government's funding stream?
4. Based on our records there is an outstanding reportable audit which has been in the system since 10/96. I do not know why this does not appear on DCAA audit log? In addition, there are some other DCAA audits, which were recently completed by DCAA and received by us that also so not appear on DCAA log. Again I can not explain why these audits do not appear either? Please provide guidance on what I should do next, if anything?